Daily Report

Latin America

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Cuba

Castro Attends Final Session of UPEC Congress

FL2312173893 Havana Radio Reloj Network in Spanish 1507 GMT 23 Dec 93

[Text] The final session of the Sixth Congress of the Union of Cuban Journalists [UPEC] begins today at the Convention Center in Havana with the presence of Commander in Chief Fidel Castro, president of the Councils of State and Ministers. Today, the 82 delegates who represent the journalists of the entire country will debate how to win the battle of ideas and ethics and their role in view of the changes that are taking place in the country.

Balaguer, Lage Address Congress

FL2412030793 Havana Radio Reloj Network in Spanish 0202 GMT 24 Dec 93

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, addressed the Sixth Union of Cuban Journalists [UPEC] Congress to stress that today's goal is to perfect our socialism and the Revolution. He told the journalists gathered at the Convention Center that we ought to adapt our revolutionary process to current world conditions, the disappearance of the socialist bloc, and the intense blockade to which we are subjected. Fidel spoke about the economic, social, and political system we defend today and pointed out that what the enemy wants is for us to relinquish our principles and system.

The debate of the Sixth UPEC Congress continues at this hour at the Convention Center with interesting discussions on the role of the media regarding the economic changes taking place in Cuba.

In his speech to the UPEC Congress, Jose Ramon Balaguer stressed that the culture and political awareness of our people are the solid elements that allow us to confront the difficulties. During the closing session being presided by Commander in Chief Fidel Castro, Balaguer stated that the determining role of our journalists is important in shaping that awareness and culture. The historical and unrelinquishable role of journalists in connection with the Revolution makes the national leadership deeply trust them. Balaguer added that the media is a weapon, strong and solid, to wage today's battle. Balaguer reaffirmed that our media, now and forever, will never be compared to that which existed in the former socialist countries.

Jose Ramon Balaguer added that a general principle for the work of the media should be shaped by the conditions the country and the world are facing and that we are committed to preserve our independence. This shapes our work. He added that we are engaged in a political struggle with subversion aimed at undermining the Revolution because the imperialists are cynics and hypocrites. Balaguer mentioned that this is the reason for the great importance of the journalist's discussion on how to defend the Revolution following the criteria that the best option is to be on the defensive.

Balaguer stressed that it is very important to be the first to report on things, but that at times waiting is also a weapon because the enemy is watching to act at the first opportunity.

During his speech to the Sixth UPEC Congress, Balaguer pointed out that our media will never be impartial because it responds to the interest of the working class in power. He stressed that for revolutionary journalism there are no taboo issues as long as the effort is shaped by a revolutionary awareness and spirit. He added: We have to guide the people to work of an intellectual fashion in defense of the Revolution. To tell the truth has always been our motto, just as the Revolution taught us.

In his speech he stressed that the media face the same difficulties Cuba faces and that as never before the importance of radio grows and remains a priority in terms of immediacy.

During a special address to the Sixth UPEC Congress, Carlos Lage said that socialism in Cuba perseveres because this is the option of development we chose. The secretary of the Executive Committee of the Council of Ministers, referred to the phenomena that has been worsening in the last three years as result of the economic situation we face, including the excess currency and the low productivity of certain sectors. Lage said that one of the essential tasks of the media today is to protect the economic efforts being conducted by the Revolution in a world where neoliberalism is the trend and as the blockade intensifies. He added that we feel optimistic with the prospects and possibilities of Cuba, optimism based on the capacity for resistance demonstrated by our people.

Castro Presides Over Closing Session

FL2412155793 Havana Radio Progreso Network in Spanish 1200 GMT 24 Dec 93

[Text] President Fidel Castro presided over the closing session of the Sixth Union of Cuban Journalists Congress. The following is an excerpt of Fidel's speech:

[Begin Castro recording] We must stress that while under the capitalist system, this country never attained what it has attained through socialism. We would probably be another Haiti, with 11 or 12 million inhabitants. Population growth in this country was reduced when jobs were created and people were educated. We would probably have some 13 or 14 million inhabitants. Oil at today's prices. [sentence as heard] That was the kind of future we had to look forward to. No one got permission to enter the United States. The Revolution opened the doors of the United States to hundreds of thousands of emigrants.

The first emigrants left the country for political reasons and many others left for economic reasons. These were people who wanted to go to live in the United States and

have a higher standard of living. There are hundreds of millions of people around the world who want the same. The Mexican-U.S. border is crossed by more than one million Mexicans and there is no socialist revolution in Mexico. Paso de la Mona has been crossed by hundreds of thousands of Dominican [as heard] citizens and there is no socialist revolution there. Long caravans of Haitian boats try to get to the United States. There are also many, many Colombians, Central Americans, and Latin Americans trying to get into the United States. In Europe, they are experiencing the same situation with the millions of Turks, Yugoslavs, and North Africans who want to live in Europe. The North Africans are the ones who work the hardest. They have always been chosen to do the hard work.

Without Revolution there would have been no immigration; without Revolution that privilege granted solely to the Cubans would not have been possible. No citizen of any other country in the world can enter the United States illegally and ask for residency. In its hateful war against Cuba, the United States decided that all Cubans who arrived in the country claiming to be political refugees and saying they wanted to stay would be authorized to remain in the country. No citizen of any other country has that right.

Only recently, a ship full of Chinese citizens tried to dock in the United States. The U.S. authorities were alarmed and went crazy doing all they could to send the Chinese citizens back. All of you know, however, that any lumpen or common criminal, who in any other case would not be authorized legal entry to the United States, is automatically admitted to the country once he gets there in a boat, raft, stolen boat, plane, or whatever. The United States openly encourages this. The United States does not hide that it encourages illegal departures from this country. These illegal departures result in the deaths of many people. The United States does not care if children, women, old people, die in the attempt to get to the United States. All they are interested in is publicity, the publicity they create by using the people who reach the United States under those conditions. The number of illegal departures has increased since the country's economic situation has become more difficult. [end recording]

Comments on Economic Measures

FL2412160293 Havana Radio Progreso Network in Spanish 1200 GMT 24 Dec 93

[Text] Commander in Chief Fidel Castro has announced that during its upcoming session, the National Assembly of the People's Government will conduct an in-depth review of the economic measures that will have to be implemented in the near future. The first secretary of the Communist Party of Cuba made this statement during a dialogue with delegates who attended the Sixth Union of Cuban Journalists Congress.

Castro also broached issues such as the role of the media and journalists in light of the changes underway in the country aimed at protecting the achievements of socialism. Fidel stressed that such a delicate matter as the implementation of economic measures must be analyzed in depth before it is approved. Castro added that an ultimate formula has not been found and that for this reason, it is necessary to listen to opinions and study them. The commander in chief added that the people must be kept informed so that they will understand the reasons behind the possible implementation of those measures they are already hearing about on the streets.

Regarding the possibility of a tax system in the future, Castro said that the taxes would cover only part of what is needed to maintain the social achievements of the Revolution such as health, social security, and education. Our commander in chief said that before such a system is implemented, the people must be made aware of the need for these taxes because for the past 30 years the Cuban people have had their many needs satisfied without thinking about taxes.

Discusses Journalists' Role

FL2412163693 Havana Radio Rebelde Network in Spanish 1255 GMT 24 Dec 93

[Report by Juan Carlos Roque Garcia]

[Text] Early this morning, 24 December, Commander in Chief Fidel Castro closed the Sixth Union of Cuban Journalists [UPEC] Congress. Even though Castro spoke on several occasions throughout the session, in his closing remarks he made a very in-depth analysis of the situation of Cuban journalism and the role it plays during this special period. Commander in Chief Fidel Castro said he was very pleased with the development of the debates during this last session of the UPEC congress. He also expressed his views on the role and development of the media in these times.

[Begin Castro recording] It was evidenced here that your most important mission is to defend the Revolution. To defend the Revolution is to defend socialism. When we speak of this Revolution, I cannot think of it without socialism. They are inseparable.

I view the media as, let us say, a force, a formidable instrument of the Revolution. I see the media and think of it as Radio Rebelde in the Sierra Maestra. We are living during times that are no easier to endure than the Sierra Maestra days. We are living in more complex times, more complex than the ones in which we lived back then. I view the media as a force of enormous importance, a decisive force. It is truly a decisive force in this struggle we are waging, in which everything is at stake. We are not only putting our own work at stake, we are putting the work of all those generations that came before us at stake. [end recording]

Notes Media's Main Role

PA2412143593 Havana Radio Havana Cuba in Spanish 1300 GMT 24 Dec 93

[Text] Cuban President Fidel Castro said in Havana that the media's main role is to defend the revolution and socialism. Speaking at the closure of the Sixth Union of Cuban Journalists Congress, which ended in the early hours of 24 December, Castro described the press as a formidable force and an instrument of the revolutionary process. During the debates at this congress, Castro said there have never been any doubts that the Communist Party is the head of the revolution, which, he stressed, is a fundamental principle.

Castro spoke several times on various topics during the last session of the congress, which lasted more than 15 hours. With regard to the nature of the press, Castro said in Cuba it is not private property as it belongs to all the people, ruling out the possibility of privatizing that sector. He stressed that in capitalist countries, publications have owners, who have the last word, make decisions, and set political guidelines. He added that it is a known fact that the media in those countries responds to rightist or reactionary stands. Hence, we cannot say that it never lies and is always objective, virtues that can be attributed to our media, Fidel Castro concluded.

Says Need for 'Cautious' Reforms

PA2412172193 Mexico City NOTIMEX in Spanish 1553 GMT 24 Dec 93

[Text] Havana, 24 Dec (NOTIMEX)—Cuban President Fidel Castro said today that Cuba will make orderly, cautious economic reforms without destroying the Communist Party, the government, or the state, and without giving up socialism.

"Just the opposite happened in the USSR, where history was destroyed...and they were virtually left without those values. It is painful for the entire world to see this country disappear," Castro said yesterday during a Cuban journalists congress.

He compared the situation of the defunct USSR with the PRC, where he said many reforms have been made, but the role of the Communist Party, the democratic people's dictatorship, and support for the ideas of Karl Marx, Vladimir Ilich Lenin, and Mao Zedong have been maintained.

Castro said his government is studying the experiences in the PRC and Vietnam, nations that have achieved great economic development, with the purpose of "determining what could be useful to us."

The Cuban leader made the statement early this morning at the end of a prolonged session that lasted 15 hours and closed the 6th Congress of the Union of Cuban Journalists (UPEC). Castro asked the participants to defend the revolution and socialism and said the ruling Communist Party plays an important role in guiding the local news media.

In addition, he called on the population to fight beside the government, the party, and the Armed Forces to increase agricultural production, reduce expenditures, face discouragement and the people's loss of heart, as well as to fight crime and social indiscipline. "The limitations, scarcity, and suffering experienced by the population are a cultural medium for discouragement and an increase in the number of pessimists who desert and betray," he noted.

A U.S. State Department spokesman announced in Washington last Wednesday that political asylum had been granted to Alina Fernandez Revueltas, identified as the daughter of the Cuban president.

Castro said discreet work must continue in areas and projects that are open to foreign investment, such as petroleum, because "never before has enemy intelligence work against our country been as active as it is now."

He noted that the National Assembly (legislature) will review on 27 December the new economic measures that will be applied by his regime to face the serious economic crisis that has adversely affected the country since the disappearance of the USSR and the tightening of the U.S. blockade. Castro said one such measure will be the application of taxes, but he warned that the need for the measure must first be explained to the population as it has never before been implemented on the island in over three decades of socialist government.

As for the media, Castro ruled out the privatization of local news media, which he said must improve their relations with the party because they are "a significant instrument of the revolution." He said it was "a tragedy" that the majority of world news media are in the hands of right-wing forces "that attack our country and are allies of those opposed to revolutionary currents."

More on Castro Speech

FL2412191693 Havana Radio Rebelde Network in Spanish 1800 GMT 24 Dec 93

[Text] As we have been reporting all day, early this morning Commander in Chief Fidel Castro closed the last session of the Sixth Union of Cuban Journalists [UPEC] Congress. The leader of the Cuban Revolution talked about the media's current role and its place within the context of socioeconomic changes taking place in the country.

[Begin Castro recording] The disappearance of imperialism is very far away. How long will we have to fight? Almost 35 years have gone by since the triumph of the Revolution and many more since the struggle began. You can see that the conditions under which we must fight today are very difficult; you can see the difficult battle we must wage today. Therefore, I believe that the

role of the party for a long time must be an important and essential role. The party must play a role in regard to our media.

Why do I say this? Well, it could be that the times in which we are living, the confusions that can occur, the current confusions, the issues being broached here could make some doubt the role of the party in regard to the media. I am not saying this because of you, I am saying this because of others who may have their doubts.

The Revolution must be directed by the party. Among the instruments of struggle, an important instrument in the struggle is the media. We discussed at length how the party should play that role in regard to the media.

We must also remember that our media is not privately owned. Let us say that the media is social property, it belongs to the people. I believe that something will not be privatized, and the last thing we would privatize when socialism no longer existed, would be the media. [end recording]

At the conclusion of the congress, Fidel also said that despite the special period, the people have not only been capable of maintaining the levels of defense, but have also increased their military preparedness. Castro added that the media plays a very important role in this and said he trusts the Cuban journalists will overcome all material problems and continue to struggle in the field of ideas.

Castro Pleased With Debates

FL2412194893 Havana Radio Rebelde Network in Spanish 1800 GMT 24 Dec 93

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, presided over the last session of the Sixth Union of Cuban Journalists [UPEC] Congress. During his speech the leader of the Cuban Revolution said that the media has the important mission of defending the Revolution and socialism, which under the current conditions in our country, are inseparable. The Cuban president described the debates during the last session of the UPEC congress as positive and stressed that today the media is a formidable instrument of the Revolution, decisive in these times when we not only have our own work at stake, but also the work of those who came before us and our children's future.

[Begin Castro recording] The truth is that we all feel pleased with the development of the congress. We are happy, we are very happy. We truly feel committed to this congress.

Many important ideas and concepts have been debated. Marti has been mentioned on several occasions. I was thinking about Marti's words and truly believe that he was referring to the media in general. I believe he was referring to the media of his time, the U.S. media. I do not think he was referring to or describing the revolutionary media. The question I asked myself was: What would Marti do in these circumstances? How would Marti think? What would he say of the role of the media in these circumstances? What would he say of the revolutionary media?

I do not think that he would say anything different than you have said here, and which will remain as important premises. It was evidenced here that your most important mission is to defend the Revolution. To defend the Revolution is to defend socialism. When we speak of this Revolution, I cannot think of it without socialism. They are inseparable. [end recording]

Castro Presides Over Fourth Central Committee Plenum

FL2312152193 Havana Radio Progreso Network in Spanish 1200 GMT 23 Dec 93

[Text] The fourth plenum of the Central Committee of the Communist Party of Cuba, which was held on 20 December and presided over by Fidel Castro, analyzed the outlook for 1994. The plenum stressed the need for gradually advancing toward integration of the economy based on the principle of to each according to his capacity and to each according to his work. The party meeting, which also heard reports from Politburo members Carlos Lage, Nelson Torres, and Alfredo Jordan, stressed the importance of the sugar harvest and agreed that it is the sector of the economy that can most help the country under the present circumstances. The plenum called for an heroic effort to be put forth in sugar activity. The plenum also discussed the optimum use of available resources in agriculture, the need to create more Basic Cooperative Production Units, and to ensure that the new groups have enough workers.

One of the problems the plenum studied in depth is the need to reduce excess currency in the country and ways to do this. The members agreed that this delicate matter should be approached in a political, rather than technocratic, manner.

When closing the session, Fidel stressed the open, honest, and critical nature of the meeting. Castro said that no contingent of revolutionaries has ever been subjected to such difficult times as we have.

Today's issue of GRANMA carries a front-page article on the meeting, adding that the Central Committee plenum studied the country's economic situation in 1993 and its plans to confront 1994. The article continues to state that the plenum studied our current situation and the country's possibilities in the future.

Sugar, Economic Activity Viewed

FL2312232693 Havana Radio Rebelde Network in Spanish 1800 GMT 23 Dec 93

[Text] The fourth Plenum of the Central Committee of the Communist Party of Cuba [PCC] was held on 20 December, chaired by its first secretary, Fidel Castro

Ruz. In that meeting the country's economic situation during 1993 was analyzed as well as the conditions for confronting 1994.

The plenum analyzed the progress of the sugar harvest and the sugarcane industry and the fundamental tasks that the Ministry of Agriculture highlighted in its report, which was presented by Politburo members Carlos Lage, Nelson Torres, and Alfredo Jordan. In addition to the objective problems that the country has had to face, the report on 1993 also included the subjective deficiencies that affect us.

Among the problems discussed is the need for every institution to work systematically in the reduction of their budget and in the elevation of efficiency in the use of resources.

In that sense, the second secretary of the PCC, Raul Castro, spoke of the experience obtained by the Revolutionary Armed Forces [FAR] which has raised the combat capability of the troops, made substantial cuts in its budget, and obtained important levels of self-sufficiency, rendering important services to the national economy, specifically through the Youth Labor Army [EJT]. Raul insisted on the necessity of changing the mentality for work in the new conditions, especially that of the cadres. He emphasized the importance of cadres being trained in financial matters.

The Central Committee assessed 1993 as the most difficult year in the Revolution and highlighted our people's effort during 1993. In analyzing the prospects for 1994, the Central Committee underscored the need to progress gradually, as the real possibilities of the country allow, towards the wholesome operation of the economy based on the principle of from each according to his ability and to each according to his work.

Fidel Castro emphasized that the order of the day was to optimize in all areas; to be more demanding, frugal, and efficient in all the spheres of our activity.

One of the most debated problems during the fourth plenum was the need to reduce excess currency and the possible means of achieving this. The deputies to the National Assembly of the People's Government will express their opinions in their upcoming session.

The members of the Central Committee agreed on the need to reinforce discipline and standards. In that sense, Fidel reiterated the importance of maintaining rigor and discipline in the management of the economic processes in the new conditions that are being established in order to obtain the highest social benefit.

In discussing the topic of the sugar harvest, the PCC plenum reaffirmed the harvest's decisive importance as the economic activity that could help us the most in the current circumstances. In that sense, Fidel called for the continuation of the harvest, day after day, maintaining standards, and not accepting any excuse for delays in the grinding of the cane. He added: We cannot lose a single metric ton.

In analyzing the main tasks of the Ministry of Agriculture, the committee highlighted the need to optimize the use of available resources, to prioritize the completion of the Basic Cooperative Production Units, and to ensure the availability of the work force needed.

The planting plans, the attention given to the crops, and efficient harvests should be the main objectives of the Ministry of Agriculture. At the conclusion of the fourth Plenum of the PCC Central Committee, Fidel highlighted the frank, open, and critical character of the meeting and expressed his satisfaction with our people's and their cadres' raised fighting spirit. He also insisted, once again, on the observance of strict discipline.

Lastly, our highest leader said: No contingent of revolutionaries has ever had to face as many difficult conditions as we. We will multiply our energy and faith so that the blood shed by so many men throughout our history will not have been shed in vain.

Lionel Soto on Russian Fuel-Sugar Barter Accord

FL2512043293 Havana Radio Rebelde Network in Spanish 0000 GMT 25 Dec 93

[Telephone interview with Lionel Soto Prieto, member of the Central Committee of the Communist Party of Cuba and vice president of the Council of Ministers, in Moscow, by reporter Felix Fernando Garrido in Havana—live]

[Text] [Garrido] Lionel Soto Prieto has been participating in the updated trade negotiations with Russia. Greetings Soto. We want to know the details of your last work meeting in Russia.

[Soto] First of all, greetings to the listeners of this Radio Rebelde program which I also listen to regularly when I am in Cuba. I am in Moscow on this annual mission, following an interruption. We conducted it last year and are conducting it now. The goal of this mission is to establish formal trade ties between Cuba and Russia. They have been developing little by little and although there might still be a long way ahead in our relations, we have taken important steps. There has been goodwill from both sides to reestablish trade and economic ties. Tell me what are you interested in hearing about.

[Garrido] What interests us is the news stating that Russia will conduct a fuel exchange with Cuba, about 4 million tons of fuel in barter for 1.5 million tons of sugar. Is this correct?

[Soto] Yes, that is right. Following the signing of the documents that took place today at 1900 Moscow time, Shumeyko, first deputy prime minister of Russia, and I held a news conference. The Russian side made public the fact that it had signed an accord to exchange 4

million tons of crude fuel for 1.5 million tons of sugar. This was the main element of the trade protocol between the two countries.

This has certain aspects. How will it be conducted? When will it take place, etc., etc?. Trade protocols or a protocol or understanding in which governments pledge to guarantee trade or protect trade conducted between two countries, however, are conducted in diverse manners. This is an international practice.

Following a rupture of over a year, last year we signed a protocol that has functioned quite well and which was renewed in July for the rest of the year. Now we are signing this accord for 1994.

[Garrido] The exchange of fuel and sugar between Russia and Cuba is the main news but are there other fields included in this protocol of intent?

[Soto] No, the pledge is the exchange of those amounts. There is a list, however, called list No. 1 of obligations, and a list No. 2 which includes a series of products. In order to be brief, I referred to the main product—the ones of most interest for Cuba and Russia. Afterwards, we have to establish the contacts that will operate during the year.

In other words, the essence is the sugar-fuel exchange and what Shumeyko reported is true; now we have to implement it. This year the pledges worked quite well. There are always ups and downs on our trade, the changes in Russia itself, the structural changes, the change of systems, and also our economic difficulties. It has worked quite well however.

[Garrido] When should this fuel begin to arrive in Cuba?

[Soto] It should begin to arrive in January. It is divided in monthly quotas, and we exchange sugar for fuel progressively. These accords have to be very detailed. This accords also include shipping, ports, etc. We have experience in this. We have comrades who have long experience in these fields because we had been trading with the Soviet Union for over 30 years and trading with Russia practically follows the same path.

[Garrido] We thank Comrade Lionel Soto for speaking with us. We know it is late in Moscow.

[Soto] An eight-hour difference.

Russia To Be Paid in Sugar

PA2412150193 Madrid EFE in Spanish 0020 GMT 23 Dec 93

[Text] Havana, 22 Dec (EFE)—Cuba will pay Russia at least 2 million tons of sugar for supplies required for the next sugar harvest, said Vice President Lionel Soto, chief of the Cuban delegation in Moscow that is negotiating a trade protocol for 1994.

Soto explained in an interview published in the latest edition of BOHEMIA magazine that the most important thing is to achieve this exchange mechanism to function in order and in a stable fashion—like a continuous financing-production system for the Cuban sugar industry. In Soto's opinion, it would help the trade stabilization process between both nations.

Cuba would receive fuel supplies, fertilizers, herbicides, equipment, spare parts, and other items used in the preparation and development of the sugar harvest from Russia.

The high-ranking Cuban official said Russia "has historically been and continues to be a large market for Cuba." Soto said that based on the guarantee of the nation's sugar production, "we can establish or reestablish the economic relations that will secure the sugar harvests, which have caused us so many headaches lately. We will secure our harvest, but we must deliver sugar," Soto indicated. "That means the new relations with Russia demand strict compliance with the contract terms."

Lionel Soto denied that these obligations imply the sale of some sugar refineries to Russia because "the Cuban Government will not negotiate any of the nation's basic industries." Nevertheless, he noted that some joint ventures could be organized in specific productive areas of the sugar sector, such as by-products. It would be on the condition that "these are new, high-technology activities appropriate for both nations."

Although sugar sales to Russia are currently at international market prices, the Cuban vice president foresees the possibility that in a future normalization of supplies to some markets where Cuban sugar is sold, it would be appropriate to reintroduce preferential prices.

Soto said this agreement was very important for Cuba, which is trying to stabilize its sugar harvests at 7-8 million tons of sugar produced. Every million tons produced means—even at depressed prices—approximately $200 million.

Regarding credits signed with Russia for $350 million, Soto explained that these are for specific objectives and programs, mainly for projects left unfinished during the Soviet period. Those credits would be earmarked to conclude projects at two petroleum refineries; "Las Camariocas," the new nickel plant in the eastern province of Holguin; the sugar program, which includes the repair and modernization of sugar refineries; and the reconstruction of a tire factory.

The Cuban vice president also indicated that another $30-million credit was signed to maintain the portion of the electronuclear plant that has already been built in Juragua, in the southeastern province of Cienfuegos. That project has been halted.

High-level Cuban and Russian delegations have been negotiating since Monday in Moscow the terms of a trade protocol for next year. One of the protocol's main points is the fuel supply to the island. Cuba is experiencing an acute fuel crisis as Russian petroleum exports

to the island fell to less than half their previous levels. Up until 1990, the island received 13.4 million tons annually.

In addition to the biotechnological industry products, Cuba currently offers Russia traditional supplies such as sugar and citrus fruits.

Report Views Economic Reforms Without Political Changes

PA2412040093 Paris AFP in Spanish 1018 GMT 23 Dec 93

[Report by Alfredo Munoz-Unsain]

[Text] Havana, 23 Dec (AFP)—The revolution led by Fidel Castro is preparing to enter its 35th year in power this coming 1 January after having implemented economic reforms during 1993 which, according to forecasts by diplomats in Havana, will determine Cuban internal stability.

Implemented this past August, the reforms have so far been limited to legalizing self-employment, establishing cooperatives in some state agriculture developments, and allowing the free circulation of foreign currency on the island. Although self-employment and the cooperative system have not generated great momentum, they do represent a radical change in the Cuban regime. Self-employees and cooperative members no longer receive a salary from the state and depend on themselves for subsistence.

In the reforms, although reserved, free foreign currency circulation is inevitable given the loss in value of the local currency as a result of the enormous excess of funds circulating. Statistically, each Cuban has 1,000 pesos in his pocket at a time when there are no goods to purchase due to low productivity.

Official sources comment in private that in order to prompt the country out of its economic inactivity, especially as it relates to food production, the reform must be swift and much more in-depth. Some of these same sources believe in the need to clean up internal finances with measures which, more than violating orthodox Marxist constraints, will allow the government to curb the growth of any widespread dissatisfaction.

Decisions still to be taken in the near future include establishing a national tax system, removing several subsidies, eliminating all bureaucratic administrative hypertrophy, and effectively linking salary and prices.

It is understood that there will be an end to the practice of state subsidized underemployment—the state would pay part of the salary, for one time only, to those who have been laid off. It is also implicit that unemployment will increase, which the private sector will be able to soak up only if the legal limits of their activities are expanded.

An editorial by the workers union weekly TRABAJADORES pointed out at the beginning of December that "there is pressing need for the establishment of a rational and realistic correlation between economy, politics, and ideology." The same article added succinctly that "well-founded tangible incentives (...) is in fact a moral stimulus of greatest importance" and that materially encouraging work "far from damaging revolutionary conscience, must and can contribute to its progress."

The editorial embodies the "cryptolanguage" [criptolenguage] that more than ever permeates official speeches, and gives the impression that at this critical moment for the system, one of the Gordian knots is semantics.

One of the most visible aspects of the slow privatization process—with other names—of the Cuban economy, lies in that the opening to foreign capital really began in 1980, however investments only started to increase as off 1993. According to official sources, there are 36 mixed enterprises and 45 foreign capital and Cuban enterprises operating in industry, tourism, and other service sectors, and in a smaller proportion in agriculture. In addition, 300 foreign companies have opened offices in Havana alongside 70 state-owned trading companies in operation and 30 state owned companies are attempting self-financing.

As a whole, during 1993, the state-owned companies attempting self-financing were more dynamic than those dependent on the central planned economy. However, according to an official commentary, "it is still insufficient to encourage an economic recovery process."

If the economic changes already begun in Cuba, and everything would seem to indicate it will undoubtedly continue to expand, there are no indications of in-depth political reforms. During informal conversations, high-ranking Cuban authorities have stated their disposition to seek greater "participation" of society in the affairs of government, mainly through the work of deputies to the National Assembly of the People's Government.

However, despite reforms during 1992, the Constitution continued according the Communist Party the monopoly as "supreme leading force" of society and the state. In this respect, there is no misunderstanding in the content of the official speeches as related to this issue; there is no possibility of peacefully reinstating pluralism in Cuba.

Roundup of Economic Activity Reported 21 to 24 Dec

FL2412172693

[Editorial Report] The following is a compilation of fileworthy reports on economic developments in Cuba carried on Havana radio and television in Spanish between 21 and 24 December.

Radio Rebelde Network at 1000 GMT on 21 December reports that Granma Province has completed its potato planting for this season. The report adds that 21.5 caballerias were planted. The original plan called for the

planting of 20 caballerias. The province completed the process ahead of all other provinces.

Radio Rebelde Network at 1000 GMT on 21 December adds that Matanzas Province cooperatives produced nine million liters of milk in 1993 thus surpassing their goal by 19 percent.

Radio Reloj at 2030 GMT on 21 December carries the following economy-related reports:

Fourteen turbogenerators are being put into operation in the sugar industry. The goal is to have these turbogenerators in operation before the end of 1993. "Among the mills that will be in a position to put their turbogenerators into operation are: the Ecuador and Ciro Redondo Mills in Ciego de Avila; the Panama Mill in Camaguey; the Pablo de la Torriente Brau in Pinar del Rio; the El Salvador in Guantanamo. The turbogenerators of the Urbano Noris Mill in Holguin; the Aracelio Iglesias, Heriberto Duquesne, and Abel Santamaria Mills in Villa Clara; and the Guillermon Moncada in Cienfuegos will also be able to generate electricity. The turbogenerators, whose installation will be finished this month, have capacities of between 200 and 7,500 kilovolts, and will be fueled by bagasse."

A device to increase the productivity of cane-harvesting machines has been invented in Granma and has already spread to all the province's agroindustrial complexes. The device consists of a bar with blades on it that, when installed on the harvester, prevents weeds from clogging the conveyer belt, which is a constant cause of equipment down time.

Radio Reloj at 2058 GMT on 22 December reports that "the sugar workers of the seven agroindusrial complexes in Las Tunas Province have planted, from July to date, over 720 caballerias of cane, the most by a province during the current cold-season planting campaign. The workers of the Majibaoa were outstanding in this activity, the only ones to complete the plan for this stage, planting 87 caballerieas. The remaining complexes are behind because of limitations in the preparation of the lands."

Cuba Vision Network at 2320 GMT on 22 December reports that work is continuing on the Zaza-Ciego canal and 22 km of the 37 scheduled for the first phase of the work are now completely finished. The water in this canal circulates by means of gravity, and provides water for extensive agricultural areas in southern Ciego de Avila Province. When finished, the canal will be approximately 94 km long, and close to 300 million cubic meters of water will pass through it every year. This is the largest of its kind ever built in Cuba.

In the same newscast, Cuba Vision reports that the biological products factory of the Jose Marti Pre-University Vocational Institute in Holguin, which produces in vitro plants, has begun production and will deliver the first plants grown in vitro in January of 1994. The factory produces a variety of plantain known as (Pilipita), which has a form very similar to that of the (Burro-Sensa) plantain but texture and flavor more like the variety known as Platano Macho. This is Holguin Province's first biological products factory. In addition to growing (Pilipita) plants in vitro, two new clones will be introduced and produced in 1994.

Radio Progreso Network at 1200 GMT on 23 December reports that through November, the state built 1,881 houses in Havana Province. This is the highest figure report in the history of the territory since 1985.

Radio Progreso Network at 1200 GMT on 24 December reports that the National Association of Small Farmers [ANAP] has set new goals for the current sugar harvest. During a meeting held in Guira de Melena, it was reported that the cane cutters have set themselves a goal of 280 arrobas each day. Meanwhile, the combine operators will cut 8,200 arrobas, 2,300 more than in the past harvest.

Radio Rebelde Network in Spanish at 1000 GMT on 24 December carries a report from Pinar del Rio on the winter crops being planted in the area. This is being done "amid serious weather problems and a lack of material resources. Because of the strong drought that has affected Vuelta Abajo, area that has seen no rain for approximately 300 days this year, the delay in the planting is considerable." The report continues to state that "the Pinar del Rio peasants are confronting the challenge imposed by nature and the current situation." Pinar del Rio's goal is to plant 420 caballerias of tomatoes, of which 296 caballerias have have already been planted. The greatest challenge is to the sector that plants yucca. They have not been able to plant one single caballeria of the 700 caballerias allocated to yucca because the soil is much too hard for planting as a result of the drought. Everyone in Pinar del Rio is ready to begin planting yucca the minute there is a rainfall.

IMF Officials Discuss Economic Changes in 'Discreet Visit'

PA2712005493 Paris AFP in Spanish 2104 GMT 26 Dec 93

[Text] Havana, Dec 26 (AFP)—Two IMF officials have traveled quietly to Cuba on their own accord in response to an official invitation from Havana. AFP has learned from official and foreign diplomatic sources that the two specialists in the conversion of economic systems believe the Cuban Government has a good chance to turn its ailing economy around.

A U.S. news agency in Washington reported this quiet visit on Saturday. According to AFP sources, the IMF officials met in Havana with members of the government's "economic team—almost all of them." They also met with leaders of diplomatic delegations in the Cuban capital.

One source close to the government said, "This was a discreet visit that took place mostly behind closed doors." The source, however, preferred not to disclose the date.

According to certain evidence, Jacques De Groote, who directs IMF matters for nine European countries, and his assistant Frank Moss made the visit, which took place in November. At least part of the talks were held in meeting halls at the Havana Convention Center in the exclusive Siboney neighborhood.

According to the sources, De Groote, after meeting with the Cuban economists, said that a successful changeover in the Cuban economy will require "unpleasant" measures the government is capable of making at this time because it is in "firm" control. The IMF officials pointed out that similar economic changes are occurring quite quickly and without any risk of destabilizing governments in Hungary, Vietnam, and China—three countries with "stable" governments like Cuba's.

Cuba currently is not a member of the IMF and therefore has no relations with the World Bank. Several months ago, following some efforts by European countries, Vietnam received World Bank support for its economic changes and Washington recently announced the partial lifting of its economic, trade, and financial sanctions against Vietnam's communist government.

Fidel Castro Declared 'Member' of Radio Rebelde Staff

FL2412224693 Havana Radio Rebelde Network in Spanish 1245 GMT 24 Dec 93

[Report by Rolando Almirante]

[Text] [Almirante] Good morning, I have more information on the closing session of the Sixth Union of Cuban Journalists [UPEC] Congress. At this time I would like to comment on one of the very emotional moments that occurred early this morning. It was at the precise moment when Commander in Chief Fidel Castro was declared a member of the Radio Rebelde Network staff. Radio Rebelde Director Mario Robaina read the letter signed by this station's Information Council.

[Begin Robaina recording] Commander:

More than 35 years ago, on Sierra Maestra, you were the precursor of Radio Rebelde. This station today accompanies the Revolution in its most difficult times. For that very first transmission, on 24 February 1958 and through the triumph of the Revolution in 1959, you became the main character of a radio experience that today inspires those who follow you. Radio Rebelde's current crew takes advantage of this UPEC Congress not only to officially declare you a collaborator but also to recognize, before this plenary and the people of Cuba [applause], your intellectual, political, moral, ethical, and human contribution to the perpetuity of the radio station that continues to be a guerrilla station.

We will be celebrating the 36th anniversary of this radio station in 1994. We hereby invite you to share in the recalling of history and in making new plans.

Signed: Radio Rebelde Information Council. [applause] [end recording]

[Almirante] It was a moment filled with emotion and Fidel also had a response for the Radio Rebelde Information Council.

[Begin Castro recording] Thank you very much. However, I must say that the real founder of the station was El Che [Ernesto Guevara]. El Che found some radio equipment. He took the equipment to his front.

I can recall that after the failure of the strike I visited the front to encourage the people, to lift their morale in light of the blow we had suffered. We could tell that the times ahead would be difficult and dangerous. We could tell that the offensive was coming so we moved the rebel radio station to Front No. 1 in the Sierra Maestra. That is where the station remained practically throughout the struggle. The radio station became a tremendous, tremendous instrument during the war. It was a decisive political factor. The enemy tried by every possible means to destroy it.

We could add that the whole offensive, the last offensive launched by Batista—that offensive lasted 35 days and the counteroffensive lasted 35 days—depended largely on Radio Rebelde, on its importance. The general command, the shops where the mines were made, were located in the same area; however, the enemy wanted to destroy Radio Rebelde. Later the radio station opened more branches. On the 2d Front, Radio Rebelde had 10 or 12 radio stations. Later, all the fronts had a radio station. So it was there with us during all that time. And we mobilized the troops that were involved in El Che's on the front of Che's offensive. Later, El Che also arrived, for he was at that time at the training school for new recruits.

I believe Radio Rebelde wrote a very important page in the Revolutionary struggle and in the triumph of the revolution. Through Radio Rebelde we would announce all the war reports; through Radio Rebelde we conducted an intense campaign in the heart of the enemy forces; through Radio Rebelde we announced the defeats suffered by the Batista forces, the freed prisoners; and through Radio Rebelde we launched a campaign against the elections they organized for November. The radio became truly indispensable.

Through Radio Rebelde, from Palma Soriano, we destroyed the coup attempt by Cantillo and all those other people; and through Radio Rebelde we called on the entire country for a revolutionary general strike throughout the country. Radio Rebelde was put into network by the television and radio workers of Cuba with all broadcasting means. At one point Radio Rebelde included all the radio stations in Cuba. Just look at the important role that Radio Rebelde played.

It is unfortunate that Mendoza is not with us here today because of health reasons. He would have been able to recount what Radio Rebelde did. I have great esteem for Radio Rebelde.

Today we need Radio Rebelde to do what it did in the Sierra Maestra. I know you are making a great effort in that sense. Today we need Radio Rebelde as much as we needed it back then. Thank you for that honor. [applause] [end recording]

[Almirante] Afterwards, Commander in Chief Fidel Castro gave the closing speech at this final session of the Sixth congress of the UPEC.

We repeat. This morning, Commander in Chief Fidel Castro was officially declared collaborator of Radio Rebelde.

Nicaraguan Official: Reestablishment of Ties Planned

FL2412021793 Havana Radio Rebelde Network in Spanish 0000 GMT 24 Dec 93

[Interview with Ivan Salvador Madrid, vice president of the National Assembly of Nicaragua and vice president of the Latin American Parliament by reporter Julio Gomez Yusia at Jose Marti International Airport—live]

[Text] [Gomez] Good evening. We want to know about your visit to Cuba.

[Salvador] We have just arrived in Cuba. We are very glad. We have come despite the fact that tomorrow we celebrate traditional festivities very dear to the Nicaraguan family. However, we are here because to be in Cuba also brings us joy and we feel at home here. I bring certain important news for the Cuban Government regarding diplomacy, such as my meeting with Nicaraguan Foreign Minister Ernesto Leal who asked me to tell the Cuban people and government that in the first months of 1994 there are plans to appoint a Nicaraguan ambassador to Cuba. This means a reestablishment, a normalization of diplomatic ties with the Cuban Government. I believe this is very important because it is about time and it is the will of our government disregarding wrongful pressures for the good of our self-determination and respect for our sovereignty.

[Gomez] We thank Ivan Salvador Madrid for his words for the "Exclusive" program of Rebelde. He arrived a few minutes ago heading a Nicaraguan National Assembly delegation and was greeted by comrade Yolanda Ferrer, president of the Foreign Relations Committee of the National Assembly of the People's Government and secretary general of the Federation of Cuban Women.

More on Establishment of Relations

PA2712005893 Mexico City NOTIMEX in Spanish 1759 GMT 24 Dec 93

[Text] Havana, 24 Dec (NOTIMEX)—Ivan Salvador Madriz, second vice president of the National Assembly of Nicaragua, announced today that the Nicaraguan Government will establish normal diplomatic relations with Cuba during the first few months of 1994. "Foreign Minister Ernesto Leal has asked me to express to the people and government of Cuba our honest and true intention of appointing a Nicaraguan ambassador to Cuba during the first months of 1994," the legislator said upon his arrival in Havana. "My country must make its own decisions without taking into account any kind of pressure or undue requirements in exercising its self determination and sovereignty," he added.

Madriz, who is also the vice president of the Latin American Parliament, arrived on 24 December at the head of a Nicaraguan delegation following an invitation by the National Assembly of the People's Government, the Cuban legislative body.

The National Assembly will meet 27 and 28 December to study new measures being undertaken by the government of Fidel Castro to overcome the serious economic crisis affecting the island.

Since the beginning of the decade, the governments of Havana and Managua have kept a charge d'affaires at their respective embassies, which contrasts with the close relationship that existed during the administration of Sandinist leader Daniel Ortega.

Havana Notes Jessie Jackson's Arrival in Havana 24 Dec

FL2512161793 Havana Radio Rebelde Network in Spanish 1000 GMT 25 Dec 93

[Text] Reverend Jessie Jackson, former presidential candidate of the United States, arrived in Havana on 24 December at the invitation of the Cuban Ecumenical Council. During his stay in our country, Jackson will preach at the (Evenecer) Temple in Marianao Municipality in Havana City Province.

Jackson Urges U.S.-Cuban Dialogue

FL2712023193 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 27 Dec 93

[Text] Black leader Jesse Jackson met on 26 December with Cuban and accredited foreign journalists. The U.S. Protestant pastor affirmed in Havana that problems in U.S.-Cuban relations should be resolved at the negotiation table rather than through confrontation. He added that it would be a disaster to attack Cuba because that would generate more hostility and violence. Jackson said that the churches of both countries will meet shortly to discuss this issue and stressed that the Black community in the United States will play a role in that process. The Reverend Jackson, who was invited to Cuba by the

Ecumenical Council of Cuba, described War the fact that while illegal Haitian immigrants are jailed, Cubans are not as a remnant of the Cold War; he pointed out that the Cold War is over.

Jackson stressed that this is a time for eliminating barriers and building bridges. He referred to the great economic and political changes in the world and said it was necessary to conduct an offensive to change the relations by replacing the battlefield with dialogue at the negotiation table. Jesse Jackson criticized Washington's economic hostility toward Cuba and expressed optimism that Cubans and Americans will unite in a joint effort that would allow tourism, investments, communications, and biomedicine to develop. He also announced plans to meet with top U.S. business leaders who wish to maintain ties with Cuba in different fields.

During his visit to Havana, Jackson has met with representatives of the National Assembly, the Foreign Ministry, the economic sector, and religious institutions.

Raul Castro Addresses Western Army Inspection Meeting

FL2612225593 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 26 Dec 93

[Text] Army General Raul Castro addressed the closing meeting of the Ministry of the Revolutionary Armed Forces [Minfar] inspection of the Western Army held 13-29 December 1993:

[Begin recording] The results of the inspection mentioned by Division General [words indistinct]. The prevailing work atmosphere during the entire inspection of the Western Army by the Minfar was a constructive spirit of mutual respect. The results attained by the inspected units include [words indistinct] of commitment achieved by the Army among the soldiers, demonstrating once more what we have said on previous occasions: When there is a direct involvement with the soldier, there are results, discipline, love of work. Third, the espirit de corps attained among the Western Army and the bodies of [words indistinct], particularly those of San Jose de las Lajas and Havana del Este Municipalities [words indistinct] in the implementation of the development of the War of the Entire People which we are forced to improve continuously. [end recording]

The issues discussed were combat training and readiness, equipment and weapon status, discipline, self-sufficiency, and conditioning of the theater of operations. Among those rated as outstanding were the areas of marksmanship and infantry among regular troops and the Territorial Troops Militia during exercises which demonstrated efficiency and resource conservation. All the units inspected were rated good and several, outstanding. For this reason, Raul Castro sent congratulations to over 100 officers, soldiers, and reservists. Raul added that Camilo Cienfuegos' machine gun will continued to be presented to the Army command with the highest achievement in fraternal emulation. The Eastern Army currently holds it.

The results of the inspection reflected the progress made by the Western Army and the fulfillment of Fidel's special period guidelines. Raul also spoke about important current issues and recalled the days of the Moncada and the Sierra, when, as today, unity and discipline were determinants of victory. These comments, he said, came straight from his heart:

[Begin recording] In light of the year-end period, in light of a year of heroic feats by the entire Armed Forces, and in this case, the provincial units of the Western Army, I congratulate you and, on behalf of the commander in chief, I extend to you an embrace as warm as the one he and I shared 37 years ago on 18 December in Cinco Palmas, Oriente Province. [applause] [end recording]

Raul Castro Presents Medal to DPRK Delegation

FL2512161593 Havana Radio Rebelde Network in Spanish 1000 GMT 25 Dec 93

[Text] Army General Raul Castro, minister of the Revolutionary Armed Forces, has presented the Brotherhood in Arms [fraternidad combativa] medal to Admiral Kim In-chol, head of the DPRK Navy, and to the members of a Korean military delegation visiting Cuba. During the presentation of the award, Division General Nestor Lopez Cuba, head of the political section of the Mininstry of the Revolutionary Armed Forces, pointed out that for 30 years the two peoples have maintained the best relations of friendship. Furthermore, he pointed out that the medal was given in recognition of the existing ties between the Revolutionary Armed Forces and the Navies of the two countries.

After receiving the distinction, Admiral Kim In-chol underscored the high esteem that Cubans and Koreans have for the ties of friendship and the sincere will to strengthen the ties of cooperation between the people and the army in the common fight against imperialism.

Havana Sees No Failure of Socialism in East Europe

FL2612220993 Havana Radio Rebelde Network in Spanish 1800 GMT 25 Dec 93

[Commentary by Jose Armas]

[Text] The great weapons used by the United States in its ideological war against the Cuban Revolution are diverse, but not new. Since 1989 this war has reached an unprecedented fierceness. What do the ideologues of the empire hope to plant in the minds, feelings, emotions, and spirit of our people? On the one hand, the supposed advantages of market capitalism, the multiparty system, and a purely U.S.-styled democracy; on the other hand, the insufficiency of socialism, by falsely manipulating

the argument that there is no socialist theory, when life has demonstrated that there is no valid theory for perestroyka or any equivalent ideological current.

Let the facts speak for themselves as Euripides would say. Socialism did not fail in East Europe. What went wrong in those countries was chaos, war, crisis, and disintegration. This is the vulgar parody of socialism they tried to portray. It was an insubstantial Utopia, defended at all costs by the imperialist ideologues, that the United States, among others, wanted to impose on Cuba.

The beginning of a 29 January 1989 report by AGENCE FRANCE-PRESSE said, literally: The United States used President Fidel Castro's rejection of perestroyka as evidence of the lack of change in Cuban policy which has deterred Washington from any normalization of relations with Havana. In other words, the United States conditioned the normalization of relations with our country on the total liquidation of the Cuban Revolution and its process of development with social justice.

In the current times, of course, the work of dirty anti-Cuban propaganda has been facilitated. Its basic thrust is to make Cuba responsible for the current shortages and great economic difficulties. Our people understand the causes and it is not necessary to expound on them. What the anti-Cuban propagandists do not say is that between 1959 and 1989, the Cuban people, under the direction of the party with Fidel at its head, accomplished the most impressive socioeconomic project ever achieved by any people in this hemisphere, without the United States and even against the will of the United States.

Now, in the ideological war against Cuba, the defamation campaigns against its leaders, especially against Comrade Fidel, have been intensified. To assume a defensive posture on this issue would be insulting, but we want to remind everyone of what U.S. academic (Saul Andau) said in Halifax, Canada, in November 1989: Fidel has converted Cuba into one of the protagonists of the international arena. He has changed the history of the western hemisphere, including the contemporary history of the United States and the future of Africa. The Cuban leader has the singular ability to turn setbacks into victories.

Alarcon Attends Havana Provincial Assembly Meeting

FL2312183993 Havana Radio Progreso Network in Spanish 1200 GMT 23 Dec 93

[Report by Rosa Maria Godoy]

[Text] Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government [ANPP], attended the second ordinary session of the Havana Provincial Assembly and said that the most important lesson the Havana people have taught others is that, despite the limitations, they resist and get ahead by carrying out actions that are truly feats.

[Begin Alarcon recording] If I were to look for one word that would describe the efforts of the Havana workers, the efforts put forth by all Cuban workers this year, the only word in the dictionary that comes to mind is: feat. [end recording]

During the meeting, which was held at the Mariel Municipal General Staff, the members of the Provincial Assembly expressed their determination to ensure that the winter crops of tubers and orchards will be planted on schedule. A delegation representing the agricultural sector said that even though there are some delays in the potato planting, they will finish planting the 470 caballerias of potatoes. Most of the 470 caballerias are in Guira de Melena, the largest tuber producing sector in the country. It was also reported that over the next six days, Havana will have planted 600 caballerias of sugarcane, thus ensuring fulfillment of one of the main objectives of the sugar sector.

The work done by each of the people's councils in regard to the self-sufficiency of the population and the report presented by Mariel Municipality delegates were also on the agenda of the Provincial Assembly meeting. The delegates agreed to present a seal commemorating the founding of the province to Commander in Chief Fidel Castro and Army General Raul Castro. They will be honored for their revolutionary direction and for being faithful representatives of the people.

The second ordinary session was also attended by Candido Palmero, member of the Politburo of the Central Committee of the Communist Party of Cuba [PCC] and first secretary of the PCC in the territory; Commander of the Revolution Ramiro Valdes Menendez; Jaime Crombet, ANPP vice president; and others.

Ambassador to Vatican Reaffirms Invitation to Pope

FL2312180693 Havana Radio Rebelde Network in Spanish 0000 GMT 23 Dec 93

[Text] In Rome, Ernest Hermes Hernandez, Cuban Ambassador to the Vatican, stated to the press that a visit by the Pope to Havana is still fine with the Cuban government. In that sense, the diplomat remembered that the letter sent by the Cuban Government to the Pope in 1989 underscored that the permission is still valid just as Cuban Foreign Minister Roberto Robaina and Ricardo Alarcon, president of the National Assembly of the People's Government, have been reiterating in past months.

Ambassador Herrera underscored that the Cuban government's aspiration is for all the people of good will in Cuba to join their efforts in order to overcome the difficult times the country faces, including Catholics and all believers. Herrera pointed out that the Cuban government has taken steps to eliminate discrimination of believers in Cuba as was established in the Constitution.

Haiti

Ministers Reproach Malval for Issuing Letter

FL2312223793 Port-au-Prince Signal FM Radio in French 1800 GMT 23 Dec 93

[Text] In an open letter to Prime Minister Robert Malval dated 21 December, six government ministers state they are shocked to see published in the media their 15 December letter addressed to President Aristide related to his approval of the anticipated retirement requested by Lieutenant General Raoul Cedras, commander in chief of the Haitian Armed Forces, as well as the appointment ad interim of his successor, General Jean-Claude Duperval. Reminding the prime minister that it was agreed in the Council that such a letter would remain strictly for internal use, there should have been no dissemination of any of the documents included in this file.

The ministers reproach Malval for having betrayed his commitment during his press conference this past 16 December. As prime minister presiding over the Council of Ministers, you have deliberately gone against the principle of reserve and discretion which is supposed to be the rule for running the government in compliance with Article 14 of the law governing the matter, adds the letter from the six ministers. They also point out that it was in scrupulous respect for these principles that there was strict confidential management of the memorandum addressed to Mr. Malval by nine of the ten ministers present in Port-au-Prince when he was about to involve the entire government, without the previous agreement of all the ministers, in the holding of a national conference of reconciliation in a country where the conditions for security do not exist. After those repeated leaks, you will admit easily that it will be difficult to see the ministers freely express their opinions in council, fearing to see their positions regarding the nation's problems, expressed in exercising their function, disclosed in the press, concludes the letter addressed by the six members of the government to the outgoing prime minister.

Furthermore, after attempting on 20 December to present it as a leaflet, the prime minister's spokesman finally admitted the authenticity of another critical letter, widely carried in the media, addressed by Mr. Malval to President Aristide.

'Friends of Haiti' Note to Military Reported

FL2312215193 Port-au-Prince Radio Metropole in French 1145 GMT 23 Dec 93

[Excerpts] A military delegation composed of four generals from the friends of Haiti group of countries—the United States, Canada, France, Venezuela—left Port-au-Prince on 22 December empty-handed, following a visit of a few hours. The foreign military delegation was not received by General Raoul Cedras, head of the Army. The delegation delivered a memorandum to the Army General Staff in which the four countries are threatening to impose a trade embargo against Haiti. This memorandum also renews the different points of the Governors Island accord. Rothschild Francois Junior filed a report:

[Begin Francois recording] The statement made by U.S. Lieutenant-General John Sheehan, who was part of this delegation, should be noted. For him, the refusal of the Haitian military to receive the international mission is not a failure. [passage omitted]

Through this memorandum left at the Army Headquarters the group of four countries, which are friends of the UN secretary general, clearly wanted to point out that the international community would remain steadfast regarding the return of President Aristide to Haiti and the appointment to power of a constitutional government. France, Venezuela, Canada, and the United States also assert that they remain committed to the Governors Island accord, a document which in their view represents the best framework for resolving the situation in Haiti. Those four countries state that they consider the Haitian military to bear the main responsibity for the delays seen in application of the Governors Island accord. While stating that they are aware of the sufferings endured by the population due to the sanctions, France, Venezuela, Canada, and the United States favor maintaining the sanctions in order to force the Haitian military to respect the Governors Island accord.

To reach that point, the four countries suggest the adoption by the Haitian military of some measures. The four countries recommend that the Haitian military support the legislation on the creation of the new police force, amnesty, the ratification by the Army of a new commander in chief, and the installation of a new chief of police. At the same time, the four countries also ask the Army to end all acts of corruption and intimidation aimed at influencing the legislators.

Regarding Lieutenant-General Cedras, France, the United States, Venezuela, and Canada call on him to respect his commitment to retire. Concerning the members of the Army General Staff, the group of four urges that they accept transfer to other posts, taking into account their rank, and also that they obey all decisions made by the new Army commander in chief.

In the series of conditions posed on the Army to lift the embargo through the application of the Governors Island accord, the four countries think that the current police chief should officially assert that he would be ready to accept any transfer to another post in the Army as a result of the vote on the legislation regarding the new civil police force.

Furthermore in this memorandum, the United States, France, Venezuela, and Canada insist on the necessity for the Army to create the conditions for the return of President Aristide to Haiti. The military must also officially support this return, according to the group of four. The friends of the UN secretary general are asking the military to take some measures in order to revoke all

authorizations to carry firearms in effect granted to people not belonging to the regular forces, an association of security guards, or the embassies.

The group of four also thinks that the Army should favor the deployment of MINUHA [United Nations in Haiti] in Haiti, creating the necessary conditions in order to reach that objective. In the memorandum, submitted at the headquarters of the Haitian Armed Forces, the four countries send a warning to the Haitian military. They indicate that if by 15 January the military still refuses to respect these obligations, the Security Council will meet to consider some additional measures, which would include making the embargo universal and obligatory, some new sanctions against Army supporters, and the limitation of noncommercial flights to or from Haiti.

At the same time, the four friends of the UN secretary general assert that they support the project of a national conference, with the condition that there be a procedure for implementing the Governors Island accord. The United States, France, Venezuela, and Canada are asking the military authorities to acknowledge whether or not they are ready to attend a conference as proposed by the ad interim prime minister, says the document. This participation, according to the group of four, would only deal with the conditions for which the Army has a constitutional role to play and not a political role in the government or in the choice of a government. [passage omitted]

President Salinas on Visit to PRC, Japan

PA2212180893 Mexico City XEW Television Network in Spanish 0435 GMT 22 Dec 93

[Interview with President Carlos Salinas de Gortari by Jacobo Zabludovsky in Tokyo; date not given; from the "24 Hours" newscast—recorded]

[Text] [Zabludovsky] Mr. President, thank you for granting us this interview.

[Salinas] I am happy to do so, Jacobo.

[Zabludovsky] Mr. President, you are concluding your tour of China and Japan. Can you sum up your visit to these two countries and comment on the results of the trip?

[Salinas] It has been a trip with positive results because we achieved our objectives. With this visit to China and Japan, we wanted to reaffirm Mexico's presence in this region, which has the greatest economic growth in the world. We must remember that this region of the Asian Pacific has a population of approximately 3 billion people. It concentrates the greatest economic and financial growth as well as technological progress, which is vital in the world in which we live. Therefore, it is essential that we not be left out, but the trip goes beyond that. The day after the NAFTA was ratified, the Asian Pacific countries welcomed us into their exclusive organization. We have now arrived in these lands as full members of that organization and with China and Japan interested in having even closer relations with us and, in some cases—as they pointed out—in knowing more about our experiences. To use their term, to learn from our experiences.

[Zabludovsky] Mr. President, the economic and political systems of the two countries are different. Nevertheless, China and Japan both exhibit intense interest in working with Mexico. How did you view this difference, this contrast?

[Salinas] They have different systems. In general, this part of the world holds a great variety of political and economic systems, but with regard to Mexico, the position is the same: They want closer ties with us, more exchange. Jacobo, this is a sign of the times. There is growing interest in Mexico, not just curiosity but interest in having closer and more intense relations and, as I said earlier, in learning more details about the changes that are being undertaken in our country and that are working.

[Zabludovsky] Economic and financial commentators at television stations here in Tokyo were emphasizing today two aspects of the results of your policies. They said one aspect was holding down inflation to 5 percent and another was having obtained $11 billion in foreign investment in a couple of months. Your comments on this?

[Salinas] The results we are achieving are observed with great interest here in Japan, China, and the entire region. We have not finished, but the fact that we have achieved the goals we have set greatly surprises them. It is particularly true in terms of the reduced inflation rate, which went from approximately 12 percent about six years ago to 8 percent in 1993 with a goal of 5 percent in 1994. Those results give confidence to our people and to those abroad who are interested in Mexico. They are determined to invest more in Mexico precisely because of that confidence. The figure is correct. Between January and November of this year, more than $11 billion in foreign investments entered Mexico. It is a record figure in the history of foreign investment in Mexico. In addition, it puts us in first place among the developing countries that receive foreign capital. What does that mean? It means that more financial resources were channeled into Mexico for more investments and more jobs for our fellow countrymen. It is an encouraging result which translates into opportunities in Mexicans' daily lives.

[Zabludovsky] Mr. President, could this prompt the slide of the peso to the dollar rate? Is there any possibility of change?

[Salinas] It means that more resources are entering, but our policies were decided upon in the negotiation of the pact that was reached at the beginning of October 1993, and those policies are being implemented as they were agreed upon.

[Zabludovsky] What are the economic prospects for next year?

[Salinas] They are encouraging, Jacobo. This year ends as a year during which the external circumstances of economic recession were unfavorable to us. As a result, we had slight economic growth inside Mexico. Nevertheless, we took advantage of these unfavorable external circumstances to consolidate the reduction of inflation. In 1993, we will have had the lowest inflation in 25 years. Imagine, Jacobo, in those 25 years, more than half of Mexico's population was born and grew up. To say it another way, at the end of this year, 45 million of our fellow countrymen will know for the first time what it is to live with price stability. Frankly, prospects for 1994 are encouraging. The conditions of confidence, encouragement, and stimulus exist for more investment and production. That means there will be more job opportunities in 1994. There will be more economic growth. These are prospects that will never be simple. We will always have challenges to face, but the important thing is that we will do so knowing that there will be more opportunities and price stability will be consolidated in our country.

[Zabludovsky] The United Nations has just granted you the 1993 leadership award. Your comments on this?

[Salinas] Jacobo, it is a distinction that I appreciate, but I consider it a distinction for Mexico. In other words, this is recognition of the efforts of a country, the efforts of all Mexicans who, regardless of the way they think, have decided to join efforts for a common purpose to help Mexico progress. That distinction means that Mexico is more respected in the world. When Mexico's

name is mentioned in different nations, in different international circles of power, and in financial, economic, commercial, cultural, or tourist circles, it is done with respect now, and in some aspects, with admiration. Jacobo, this should serve as stimulus and encouragement for us. What does it mean? That the effort we are undertaking is worthwhile, that even though we admit there is still much to be done, what we have achieved is a solid foundation on which to support ourselves to take bigger steps forward. Therefore, it is a recognition of the Mexicans for the splendid work they have been doing.

[Zabludovsky] Mr. President, yesterday in the news conference at the Japanese Press Club, there was special interest in knowing whether this economic growth has been achieved alongside political growth, keeping in mind the next presidential elections. How you view this?

[Salinas] Look Jacobo, in Mexico we have been advancing in economic, political, and social reforms. There can be no progress in one while leaving the others behind. Why? Because in daily life, they are joined together. They are separated for the purpose of analysis, but actions in political, economic, and social areas are all joined together in the communities' daily lives. We have been advancing in Mexico in the various aspects of reform. What we seek is harmonious coexistence among the Mexicans. There are events marked by our Constitution, such as the change in administration on 1 December 1994, which must take place as a result of the 1994 elections and which will be fully carried out in accordance with our Constitution. This will be done in a climate of harmony, mutual respect, and, above all, always thinking of Mexico. The objective is to have our country progress and take steps forward. For that purpose, I plan to continue working every day until the end of my administration.

[Zabludovsky] I have three similar questions. What will you do in the next 11 days?

[Salinas] That sounds like an invitation to a vacation. [laughs] Jacobo, when I return to Mexico City, I have scheduled some working meetings. After that are the traditional December festivities, which always take place in a private, family atmosphere. Perhaps there will be some days of rest, as is customary for most Mexicans. These are days when one recharges to begin 1994 with energy, vigor, and determination to continue working for Mexico.

[Zabludovsky] A second question. What will you do in the next 11 months?

[Salinas] In the next 11 months I will work every day with the same intensity, diligence, and, above all, with the desire to have each action and decision bring about well-being for my fellow countrymen. I work every day for Mexico. All my efforts are for the Mexicans. The only thing I want is for Mexico to move forward and become greater, freer, more respected, and more sovereign. We have a great nation, Jacobo, and I am really proud to hear people in these far off but powerful and important countries speak of Mexico with so much respect.

[Zabludovsky] It is true that it makes a person proud. The third question: What will you do in the next 11 years?

[Salinas] [laughs] Well, Jacobo, after I fulfill my responsibilities as president, I want to rejoin daily life as one more citizen. The first thing will be to take some vacation. [laughs] They will not be like the ones in the next 15 days, which, by the way, will be fewer days. Instead, they will be the ones that will allow me to conclude a responsibility that has been the most important in my life because it has enabled me to serve my fellow countrymen.

[Zabludovsky] Nevertheless, you are leaving the presidency very young, at an age when many are still thinking about reaching a goal. Don't you have a specific plan?

[Salinas] My specific plan is those vacations beginning in December 1994, Jacobo.

[Zabludovsky] Thank you for the interview, Mr. President. We thank you for allowing us to accompany you.

[Salinas] I was happy to do so. You are very kind. Best wishes in the coming holidays.

PRI Wins Yucatan Governorship; Mayor-Elect Resigns

PA2312164693 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 21 Dec 93

[From the "Good Morning From Mexico" newscast]

[Text] Only three days before the State Electoral Tribunal of Yucatan declared Orlando Paredes Lara mayor-elect of Merida, he tendered his anticipated resignation to the post.

According to a message broadcast Monday night on local television, Orlando Paredes asserted that he is resigning to keep our country from being criticized at various international forums and to maintain social peace in that state.

Orlando Paredes Lara would have taken office in his new post in the first minutes of January 1994 after winning the last elections in Yucatan State.

In addition, the State Electoral Commission of that state this Monday declared Institutional Revolutionary Party [PRI] candidate Federico Granjas Ricalde as governor-elect. He will take the solemn oath of office as governor on 1 February 1994.

The Electoral Commission will continue its session on Tuesday to draw up the official results of the elections held in the 106 municipalities in Yucatan State.

PAN Continues To Protest

PA2312170393 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 21 Dec 93

[From the "Good Morning From Mexico" newscast]

[Text] The National Action Party [PAN] said it will not end its protest of the election results in Yucatan. We cannot respond civilly to the situation in Yucatan, said Carlos Castillo Peraza, PAN national leader. The PAN will continue to take various actions in Yucatan to demand respect for the voting process in that state, reported the Joint Secretary Cecilia Romero.

[Begin Romero recording] We believe it is important to conduct diverse political activities and exert pressure to demand that the vote of the people of Yucatan finally be respected. [end recording]

She said there is no break with the Institutional Revolutionary Party or with the Government, but that the relations with both have cooled.

[Begin Romero recording] Ever since the PAN was created, its relationship with the government has been that which is considered necessary for the benefit of the Mexican people. We cannot propose or determine the rupture of a dialogue because that would definitely undermine benefits received by the cities, municipalities, states, and of the Mexican people themselves. Our current position, certainly, is to cool relations. [end recording]

Cecilia Romero said they will seek support from other parties, but not any specific alliances.

For his part, PAN National President Carlos Castillo Peraza said his party cannot respond civilly to the events in Yucatan.

[Begin Castillo recording] We feel the PRI and the government have a new attitude of incivility and political barbarism to which we cannot respond civilly. [end recording]

Meanwhile, local deputies, assembly members, former leaders, and PAN leaders continue to demonstrate by staging a sit-down strike in front of the Japanese Embassy in Mexico City to protest the electoral results in Merida, Yucatan State. The protesting PAN members said they will remain in that place until 22 December, when President Carlos Salinas de Gortari will end his visit to Japan.

Commerce Secretariat Issues Decrees on Tariff Rates

PA2712032893 Mexico City NOTIMEX in Spanish 2143 GMT 24 Dec 93

[Text] Mexico City, 24 Dec (NOTIMEX)—The Mexican Secretariat of Commerce and Industrial Development today issued three decrees establishing the transitional tariff system that will lead the nation toward an overall trade system for various services in the border region.

The documents, published Friday in the Federal Government Newspaper, establish the transitional tariff system for restaurants and hotels, as well as for certain services and industries, construction firms, fisheries, and maintenance and repair workshops.

In the case of the northern border, the decree deals with the tariff system that will be applied to commerce, restaurants, hotels, and certain services located in the region. For this region, according to the document, there will be three tariff groups: one that will be assessed a 5-percent tariff until 31 December 1995; another that will pay the 5-percent rate until 31 December 1997; and other services that will pay 5 percent until the year 2000.

The Secretariat of Commerce and Industrial Development added that in all border regions (including the southern border), machinery and equipment, computer and communications equipment, spare parts, raw materials, and other materials necessary for industrial production will be taxed with the general importation tax until 31 December 1997. By the same token, merchandise that is imported into the border region for commerce, restaurants, hotels, and other services will be installed there totally or partially tax free with a tariff of 5 percent for those groups that will be eliminated between now and the year 2000. The new tariff provisions for the country's border region go into effect on 1 January 1994.

Workers Confederation Releases Study on Poverty

PA2712034593 Madrid EFE in Spanish 2304 GMT 26 Dec 93

[Excerpt] Mexico City, 26 Dec (EFE)—About 65 percent of the Mexican people—some 52.5 million individuals—are living in severe poverty because of a loss of purchasing power and the lack of jobs, according to a study released today by the Confederation of Mexican Workers (CTM). In 1993, the economic slowdown put some 500,000 Mexicans out of work, bringing the total number of unemployed to 7 million and leading families into poverty, according to the CTM, the nation's largest labor organization.

The CTM study says: "It is expected that beginning next year wages will show a slow recovery." Nevertheless, the organization believes that with NAFTA, more Mexican enterprises will be closed and unemployment will continue to rise.

The document notes the government's efforts to pull the country out of poverty, but it indicates that the goal is far from being reached: "Next year's challenge is to achieve a better distribution of income." The document says extreme poverty has forced the people to reduce their food intake, thereby increasing malnutrition.

According to studies by private organizations, poverty has resulted in 60 percent of Mexicans suffering from some degree of malnutrition, "causing serious limitations in the physical and intellectual development of Mexicans." Indians, peasants, and residents of urban areas show a deficit of 21 percent in average protein and caloric intake because of a lack of economic resources to satisfy nutritional needs. At least some 20 percent of Mexican children are born malnourished, which is contributing to an increase in the infant mortality rate that currently stands at 118.5 of every 100,000 newborns. [passage omitted]

Belize

Government Issues Bonds To Reorganize Army

PA2412183993 Panama City ACAN in Spanish 1458 GMT 23 Dec 93

[Report by Ana Carolina Alpirez]

[Text] Belmopan, 23 Dec (ACAN-EFE)—Belizean authorities ordered the issuance of $12.5 million in "defense bonds," which will be used to restructure the Army in 1994, when British troops are scheduled to withdraw.

Belizean Prime Minister Manuel Esquivel told ACAN-EFE that the bonds, with a 15 year maturity and an annual interest rate of 9.5 percent, will be used for "our own defense" as the risk of an invasion by Guatemala persists.

With the withdrawal of British troops (of 1,800 soldiers, only 500 remain), the government is forced to restructure the Belizean Armed Forces "to guarantee national security, which is the only purpose for issuing the bonds" Esquivel said.

For the past 150 years Guatemala has been reclaiming Belizean territory, which gained its independence from the British Crown in 1981. Nevertheless, in 1991 Guatemala recognized Belize's independence and established diplomatic relations.

Issuing certificates and Treasury Bonds totalling 25 million Belizean dollars ($12.5 million) is one of the measures implemented by the government to correct mistakes inherited from the previous administration.

Esquivel described his predecessor's monetary policies as "irresponsible" in view of the fact that monetary reserves have fallen from 74.3 million to 68.2 million [currency not specified]. According to the prime minister, the reduction occurred during a period when monetary reserves usually increase.

Despite the fact that Canada forgave 14 million dollars in debt and that Britain decided to cut the country's obligation by 8 million dollars, Esquivel claims he received a foreign debt of 313 million Belizean dollars ($156 million), 20 percent greater than what his party handed over to George Price in 1989.

As for the budget, Esquivel's predecessor submitted a bill for $131.6 million for the 1993-94 period, with a deficit of $7.6 million financed by the Central Bank, which he had to restructure and reduce by some $20 million. To correct the situation, Esquivel said, "we had to take strong actions such as increasing taxes and reducing public expenditures to pay our bills."

The prime minister recognized that the measures have caused uneasiness among the population, but he insisted that the condition in which he received the country's finances and monetary reserves from his predecessor George Price forced him to it.

Five months after Esquivel took office, Belizeans are complaining about taxes decreed by the government on imported products and vehicles, alcoholic beverages, and plane tickets purchased in Belize. The taxes are as high as 25 percent in some cases, while medical and social services have been reduced. With these measures the treasury expects to collect 5.4 million Belizean dollars ($2.7 million).

Esquivel, who is also in charge of the Defense and Finance Ministries, recognized that the measures have had a negative impact on the country's economic activities, but he pointed out that they were necessary to balance the budget. He believes the country's recovery will take place within a year.

Esquivel insisted that it was necessary to correct the country's public finances to provide a framework for guaranteeing economic growth, job creation, and better living conditions for Belizeans.

Costa Rica

President Calderon Interviewed on Accomplishments

Notes Economic Reforms

PA2512215493 San Jose LA REPUBLICA in Spanish 19 Dec 93 p 4A

["Part One" of interview with President Rafael Angel Calderon by LA REPUBLICA Editorial Director Eduardo Amador, Editor Chiefs Mariana Lev and Ramon Alfonso Soto, and Jose Alberto Briceno at the Presidency in San Jose; date not given]

[Text] [LA REPUBLICA] What do you think is this government's main achievement?

[Calderon] Undoubtedly, the economic reforms we implemented. Also because this government has been characterized by a president who has constantly toured the country, because I like to be in contact with the people. I tour the country as often as possible.

This is not new, because for 30 years I have accompanied the leader of my party to distant places when I participated in political activities, and have been involved in public administration for the past 15 years. During these years I have had contact with various sectors of the Costa Rican population. I also have a very good memory, which helps me remember people I have met before.

[LA REPUBLICA] In your opinion, what has been your Administration's main achievement?

[Calderon] Economic reforms, which we have also tried to extend to state reforms. We managed to eliminate many privileges included in 240 exoneration laws; we

made a great effort to implement economic opening and maintain a climate of stability and confidence that will encourage large investments in Costa Rica.

Our actions have been accompanied by a fundamental achievement: We managed to reduce poverty during the past year and increased the percentage of income in the lower-income groups.

From the first moment I knew it was necessary to take the correct and difficult path the country required. We announced this at the beginning. The situation we inherited was chaotic from the fiscal point of view and we had to ask the people to sacrifice in order to improve it.

The first phase of the economic reforms began yielding fruits in 1992. The country grew 7.3 percent in its productive apparatus; unemployment was 4.1 percent, and this year we will have one of the highest economic growths in the region.

We began to see a reduction in the inflation rate, which was very high—27 percent the first year of the government—and we hope it will remain a one-digit number into December of this year. We also have very good prospects because economic reforms are yielding results.

Statistics show that poverty has dropped, but people are skeptical about their future and are worried because their income does not cover their basic needs. In all the opinion polls, Costa Ricans say the same thing, because we are not satisfied with what we have. This is good, because we always want to be better, to improve, and to earn more, which is good.

I always use a community as an example: First, people demand a street, after that, they will want telephone service, and then a facsimile machine. That is good, because it makes us work harder each time.

In the latest surveys, only 15 percent of those interviewed, and 25 percent in previous ones, described the government as bad. If we had a real bad situation, that percentage would have been 60 percent. What this shows is that Costa Ricans are always trying to improve themselves.

[LA REPUBLICA] Although it is true that poverty has dropped, what can be done to overcome the current levels of poverty?

[Caldera] Should the country's economy continue growing at the same pace it is today, with social investments we have become accustomed to for the past 50 years, it will result in a good distribution and will continue helping to reduce poverty.

Unemployment is still high in Puntarenas, but investments in tourism and in the free zone system are already under way and will encourage progress in that community. Furthermore, the construction of the Filla Colon-Orotina road will make that area more attractive and will generate sufficient jobs.

Other difficult areas were in the Guanacaste coastal area, but tourist investments through the Melia projects and the Gulf of Papagayo required so much manpower, that workers will have to be hired from other parts of the country.

[LA REPUBLICA] Your government changed the country's traditional structures. From basically an exporter of agricultural products, tourism will now be the main source of foreign exchange. Do you think the model as an exporter of agricultural products has definitely been changed to one of services?

[Caldera] No. Nontraditional exports have increased considerably, and in view of the banana war we have been waging with the EC, we will have the advantage that banana production will increase. In addition, the government has twice doubled our exports of manufactured goods to the United States based on the Caribbean Basin Initiative.

This means that the country is growing in the area of services, industry, and agricultural production. This year we plan to export $2.7 billion in goods and services, and we do not have a deficit problem in the balance of payments because the commercial deficit has been paid with tourism and new investments.

[LA REPUBLICA] What projects initiated by your government have not been completed?

[Calderon] There is one thing I would not like to leave undone and that is the Third Structural Adjustment Program (PAE III) because the Family Institute, which was a matter of concern for Dona Gloria and me, is not frustrating. [sentence as published] We realized that the Mixed Institute for Social Aid (IMAS) can make changes within the institution itself. In that manner, we have managed to give the IMAS a new orientation, without having to pass a law.

Instead of the ridiculous sum assigned in 1990, it will have several million colones in 1994. In addition, we encouraged the creation of community homes and we rescued the former Central Jail for children, installing a center for science and culture.

I believe PAE III will consolidate the country's economic reforms and will enable the next government to carry out the second phase of transformations during the next four years, creating the necessary conditions for Costa Rica to enter the developed world.

Remarks on Term

PA2612143393 San Jose LA REPUBLICA in Spanish 20 Dec 93 p 6A

["Part Two" of an interview with President Rafael Angel Calderon by LA REPUBLICA Editorial Director Eduardo Amador, Editor Chiefs Mariana Lev and Ramon Alfonso Soto, and Jose Alberto Briceno at the Presidency in San Jose; date not given]

[Text] I miss politics very much now that I see things from the outside, President Rafael Angel Caldera said nostalgically. This is the first time in the last 20 years he is not participating actively in an electoral campaign.

Calderon talked with a team of reporters from this newspaper for nearly two hours in his office at the presidential residence. During this conversation, he referred to the main achievements and events that have affected him more during his presidential term.

The president feels that the current campaign has not yet reached the point the campaigns reached in 1978 and 1986. "I feel that it is different to be inside the action, and now I am seeing this campaign from the outside." He then added:

[Calderon] When you are inside, you feel something very different than when you are outside, and that is what has happened to me. From being in the eye of the hurricane as a presidential candidate on three occasions, I have passed to focus on the work of the government.

[LA REPUBLICA] What is your current work schedule now that your government has completed the majority of its term?

[Calderon] I normally get up at 0615, and I use the time at home to make a few telephone calls so that after breakfast I can leave for the office at 0830. I usually stay at the office until 2030 or 2100 and that is why we almost never accept any social activities during the middle of the week. Social activities interfere with one's work in several ways because sometimes one has to stay late at the office to complete a task but is unable to do so because one has promised to go to a dinner at 2000; then it is impossible to get the job done. I must admit that I need to sleep much and normally will go to bed at 2200 or 2215 and watch television for a while.

Concerning information, I use newspapers more. Basically, I read three newspapers, including LA REPUBLICA, and I scan the topics. I am interested in national and international news, as well as sports.

[LA REPUBLICA] Let us talk about the most difficult moment of your administration and the most pleasant.

[Calderon] I have indeed had serious concerns of different sorts. The kidnapping of Public Security Minister Luis Fishman in 1992 and the kidnapping of the Supreme Court magistrates made me very worried, in addition to the earthquakes (Alajuela, 22 December 1990 and Limon, 22 April 1991).

And then the economic problems at the beginning of the term when we were running out of currency and the hard measures we had to adopt because, otherwise, we would have fallen into an economic disaster.

I knew very well that this was the path, but we believed that in the end we would barely begin to see some of the fruit and I was very surprised to see that already last year we began to notice a different situation, which in 1993 has been undoubtedly very good.

Among the things that have hurt me deeply is the fact that a magistrate was reelected with 17 votes (Magistrate Jesus Ramirez), with a condemnation and a national censure and that such a thing still stands.

That has been a blow to an institution that I admire and respect so much as the Supreme Court of Justice, and I believe that, in a way, we are all hurt by the fact that he was elected in an election that resulted in 37 votes against and 17 in favor. [sentence as published]

I have absolutely nothing against that person. I am not a hateful person or anything like that, but it is just that for the country's health, I thought this was very delicate.

Concerning the happy and agreeable moments, I remember when I started detecting economic growth, the drop in inflation, and the reduction of poverty. I was very satisfied when I signed laws such as the one on the housing bonus, the one that derogated exonerations, the law that consolidated labor union guarantees, and the one that abrogated the law that establishes as a crime the convocation of a strike, and also the law on the loans for health and education.

The only thing that concerns me is the possibility of the Third Economic Adjustment Program (PAE III) not being approved, as it is needed for the next administration to consolidate the country's economic modernization.

[LA REPUBLICA] To what will you dedicate yourself once your presidential period is over?

[Calderon] I do not aspire to the presidency of the Social Christian Unity Party. I want to take a long time off with my family to take several trips through different parts of the world. During the first three months, I want to live a very private life with our family and have a less formal lifestyle. I would combine later what my life was, some time dedicated to my profession, some time dedicated to personal business, and I would contribute to the political formation of the youth. [sentence as published]

If tomorrow some close administration were to invite me, I could serve the country somewhere in the world because international politics fascinate me.

[LA REPUBLICA] Mr. Jose Maria Figueres has called on the Calderonists to join him because, according to him, with Miguel Angel Rodriguez the labor union guarantees inherited from your father would be lost. What do you think of this call?

[Calderon] Regrettably, from the legal viewpoint, I can say absolutely nothing. After 8 May 1994, I will surely start talking about many topics I cannot discuss right now.

[LA REPUBLICA] There are those who think that the transition period between one government to the other is too long. What is your position on this topic?

[Calderon] I think it is a good amount of time because there are many things to be done, many things change. I have only lived that as president-elect. I still have to go through it as outgoing president.

[LA REPUBLICA] Who have been your main advisers in the decisions you have had to make?

[Calderon] The main ones are the two vice presidents, Mr. German Serrano and Mr. Arnoldo Lopez Echandi, and Mr. Rodolfo Jimenez and Mr. Rolando Lacle.

[LA REPUBLICA] Are you neoliberal?

[Calderon] Neoliberal and communist are brands I feel have disappeared with the elimination of the ideological blocs in the world. We are thinking of a world with more similarities. I feel that here each one now belongs to some political group mainly due to tradition, but the theories are no longer so different.

[LA REPUBLICA] How do you judge your relationship with the National Liberation Party [PLN] during the last few years?

[Calderon] It has been a very respectful relationship, as we have had with all the political sectors. With the vast majority of the PLN leaders I have maintained a very positive contact, which did not begin in this government but since I was the head of the opposition.

The PLN has maintained a responsible attitude, and I am optimistic we can reach important agreements after the elections. That is why I preferred not to call special congressional sessions, in order to prevent conflictive situations. The country requires political agreements to move ahead, regardless of who wins the elections, because the government does not own Costa Rica.

Foreign Minister Laments Drop in Aid

PA2512175693 Panama City ACAN in Spanish 1913 GMT 24 Dec 93

[Text] San Jose, 24 Dec (ACAN-EFE)—Costa Rican Foreign Minister Bernd Niehaus said today that the lack of solidarity from the developed countries toward Central America is "astonishing," and he warned that poverty could become the main enemy of the fragile democracies in the countries of the region.

Speaking at a news conference, Niehaus expressed concern over the dramatic drop in international cooperation with Central America in 1993, because aid is reportedly being diverted to eastern Europe "to shore up" fledgling democracies there.

Niehaus said the development of East Europe "is being accomplished at the expense of Latin American and especially Central American countries," and he warned that this could have "serious repercussions" unless the policy is revised in time.

The foreign minister said that during the most recent UN General Assembly meeting in New York City in September, the Latin American foreign ministers managed to get U.S. President Bill Clinton to make a commitment to reactivate the Association for Democracy and Development (ADD), which will help channel financial assistance into the region.

Niehaus said that he is going to propose that Costa Rican President Rafael Angel Calderon call a special meeting of the Central American presidents to draw up a common strategy to obtain greater international cooperation from these countries. Niehaus is Costa Rica's candidate for OAS secretary general, a post which will be filled on 28 March 1994.

El Salvador

President Cristiani Holds News Conference

PA2312155393 San Salvador Radio Cadena YSKL in Spanish 1720 GMT 20 Dec 93

[News conference by President Alfredo Cristiani with moderator Carlos Ramos and local and international reporters at the Government House in San Salvador; broadcast in progress—live]

[Excerpt] [Cristiani] ...maybe this matter of the reward offered has to do with the friendship or the same group to which Heleno Castro belonged. If this reward leads to the person responsible, we will follow up on it. The judge has already issued an arrest warrant, and we are looking for him. Maybe the reward will motivate private citizens to provide some kind of information either directly to the security corps or to [Joaquin] Villalobos [former Farabundo Marti National Liberation Front, FMLN, commander]. If private citizens are motivated to provide information on his whereabouts, his capture could be facilitated.

[Ramos] [Name indistinct] Vision.

[Reporter] Mr. President, my question is on the same issue. I would like to know if the reward offer suggests inefficiency on the part of the National Police.

[Cristiani] I definitely do not think they are inefficient. The case was solved, even Villalobos recognized that. If the perpetrator has left the country, the 40,000-peso reward will not help anyway. If he is hiding out in the country, maybe the reward will lead to information from a citizen who could has seen him. I view it as a gesture from a friend or from someone close to them, but it is not a sign of inefficiency. We resolved the case some time ago, but the FMLN did not believe the results of the investigation.

[Ramos] [Name indistinct] from the [word indistinct] newscast.

[Reporter] [Words indistinct] the draft bill you sent to the Legislative Assembly. What is the status of that draft bill?

[Cristiani] What draft bill?

[Reporter] The draft bill on the Labor Code.

[Cristiani] It will be treated as any other draft bill. I understand that the Legislative Assembly will discuss the bill, and it can be approved as presented or modified. If the draft bill is modified, we must analyze the changes when it is sent back to us. The draft bill will follow normal procedures, just like any other bill. The Legislative Assembly always requests suggestions and opinions from the diverse sectors that have to do with the essence of the law. I suppose that is what the Legislative Assembly is going to do. We do no receive any special treatment. We have sent a draft bill to the Legislative Assembly, and it will have to follow its normal procedure to become a law.

[Reporter] What repercussions would the rejection of this bill have on the Generalized System of Preferences [GSP]?

[Cristiani] I have no idea. The decision on the GSP is not in our hands. What is in our hands is for Salvadoran laws to be in keeping with our national needs. One has nothing to do with the other. The GSP is being used by certain labor sectors to put pressure on a possible negotiation of the reforms. We have allowed this to be widely discussed, and there were points on which no consensus was reached. We have offered an intermediate position on what was being negotiated. What effect will this have on the GSP? Well, that is not in our hands, but we do want our laws to be in keeping with our realities.

[Reporter] Isn't the government concerned about this situation? The private sector claims it has no interest in the GSP. Isn't the government concerned about a decision on this whereby they would cut....

[Cristiani] I do think it would have a negative effect on us. Some sectors will be more adversely affected than others. For example, it will affect more than half of the sugar exported under the GSP. If that happens, obviously there will be problems in the sugar sector, and it could trigger an increase in local prices. That could happen if the sugar cannot be sold abroad within a quota established at a higher market price.

There are other sectors, too. The assembly plants are one example. This sector is generating many jobs. The number of assembly plant workers grew from 10,000 to almost 46,000 in 1993. That means more than 30,000 new jobs a year, with options for very quick growth. In Pedregal, for example, large ships are being constructed. These undertakings create jobs that could be lost. El Salvador's exclusion from the GSP would definitely adversely affect the nation, particularly in these sectors that enjoy the GSP; that is, those that produce exports for the United States.

[Ramos] Oscar Lopez from Mayavision.

[Lopez] Good morning, Mr. President. What are the findings from the investigation of the peasant murder in Santa Ana? Also, has the government—through the Foreign Ministry—been able to confirm the death on the border between Mexico and the United States of some Salvadorans who were on their way to El Salvador?

[Cristiani] We have not had any further report on the case of the Santa Ana peasants. Some individuals were arrested, the investigations continue. I cannot give you any new data. On the other matter, I have no information that on the Mexican-Guatemalan border....

[Reporter, interrupting] Mexico-United States....

[Cristiani, interrupting] Mexico-United States border.

[Ramos] [Words indistinct]

[Reporter] I would like you to tell me in simple words what the government's greatest challenge has been within the peace agreements or those aspects that could have endangered the nation's pacification process.

[Cristiani] In my opinion, the greatest challenge continues to be the lack of necessary resources to implement the peace agreements. Although it is true that there has been some foreign cooperation, the government has had to make a very great effort with its own resources for many of these programs, many of these projects. This has been a problem. For example, we have not received anything for Armed Forces demobilization, for the National Civilian Police. The majority of the funds have had to be contributed by the government. The problem here could be how to balance the budget deficit. We cannot go overboard because it would create uncontrollable inflation. If one spends more than one receives, it puts pressure on prices. We want to balance the peace agreements with fiscal capabilities so we do not create problems of another nature.

In another turn of events, what has been widely said about violence—for example, by the FMLN, Arena [Nationalist Republican Alliance], and Armed Forces members—is not as critical as had been thought. At least in some cases, certain arguments have now been dismissed. Of course, political violence can be a very negative factor in the process—if this did occur or if it is occurring. That is what we are trying to investigate and to eliminate.

In my opinion, the electoral campaign is politicizing the issues too much. This confuses and complicates matters. Let's hope these issues will not continue to be used as campaign tools. We can point them out as problems the peace process has had to face. Nevertheless, it has made considerable progress. [passage omitted]

Villalobos Reacts to Cristiani Statements

PA2612033193 San Salvador Canal Doce Television in Spanish 0300 GMT 24 Dec 93

[Report from Gandi Montoya; from the "Up-to-Date Newscast"]

[Text] On 22 December President Alfredo Cristiani said that there is evidence that the Farabundo Marti National Liberation Front [FMLN] has trained Guatemalan guerrillas in our country and of a possible transshipment of weapons by the now political party to subversives of the neighboring country. Joaquin Villalobos [secretary general of People's Revitalizing Expression] downplayed statements on this issue and pointed out that it would be absurd for the FMLN to be involved in this kind of action at this juncture of the electoral process:

[Begin Villalobos recording] If we are cleaning walls of public and private buildings that were marked up, how could we be involved in the training of guerrillas and in supplying weapons to the Guatemalan guerrillas, which is a process that is virtually being solved through dialogue. [sentence as heard] [end recording]

The former guerrilla leader thinks that the government is launching a political attack against the weak point of the FMLN, that is, its military past. He added that this is a strategy to neutralize a drop in popularity experienced by the Nationalist Republican Alliance [ARENA] in the most recent pre-electoral polls:

[Begin Villalobos recording] Publications in U.S. newspapers, the most recent violent acts, insecurity in the country, the fact that Armando Calderon Sol is not a candidate that can fully unite ARENA clearly show that there is a plan to deal political blows on the FMLN by resurrecting the issue of weapons caches in Nicaragua and implement something that could be an electoral strategy. [end recording]

Villalobos added that the government seeks to divert the people's attention from issues that concern society such as crime and death squad actions. He said that the weapons issue is less important than crime and the death squads, which according to him, are the issues that should focus government attention.

Deputies Comment on Weapons Found in Guatemala

PA2612043093 San Salvador Canal Doce Television in Spanish 0300 GMT 24 Dec 93

[Report by Hilda Quijano; from the "Up-to-Date Newscast"]

[Text] Deputy Gabriel Aguirre, head of the Christian Democratic Party, PDC, parliamentarian bloc, has not accused or defended the Farabundo Marti National Liberation Front [FMLN], but voiced his doubts about the origin of the weapons found in Guatemala that the government of that country claims belong to the former Salvadoran guerrillas. The parliamentarian added that the PDC is worried about the Armed Forces refusal to authorize verification in their warehouses of the weapons they seized from the FMLN during the war.

[Begin Aguirre recording] Who is speaking the truth? That is the big question. Could these weapons that appeared in Guatemala be part of the weapons seized prior to the peace agreements? Could this be the case? Where are those weapons? Or do they actually belong to some of the arms caches that the FMLN could still be hiding? That is the big question. [end recording]

Gabriel Aguirre said that this situation could be the product of a real possession of weapons by the FMLN or a political (?ploy) to discredit the former guerrillas:

[Begin Aguirre recording] We think that this could have a political motive. If it is not true that these weapons belong or belonged to the FMLN and if such weapons are not listed on Armed Forces inventories, in this case, we would condemn the political chicanery reportedly displayed by certain personalities or officials who have lent themselves to maneuvers of this sort. [end recording]

ARENA [National Republican Alliance] Deputy Gerardo Suvillaga, however, said that the FMLN still has weapons it used during the war:

[Begin Suvillaga recording] It had weapons during the peace agreement negotiations and it has weapons now that we are living in peace. Thus, it is not at all true that the FMLN party is being defamed, as the FMLN claims. [end recording]

Suvillaga added that the FMLN is again compromising its promises to the United Nations, which certified the completion of its disarmament process.

Guatemala

Government-URNG Peace Talks Resuming 6 Jan

PA2312213193 Guatemala City Teleonce Television in Spanish 0400 GMT 22 Dec 93

[From the "Telepress" newscast]

[Text] Representatives of the Guatemalan Government and the guerrilla leadership will meet in Mexico City on 6 January to resume a peace dialogue that was suspended in 1992 due to disagreements during the Serrano Elias administration. This first meeting following 19 months of stagnation will introduce a new element to the peace process: the new governmental commission appointed by President Ramiro de Leon Carpio led by Hector Rosada Granados, an experienced political analyst.

The talks, which are scheduled to begin on 6 January and are expected to last three days, will be conducted under the auspices of the United Nations and will seek to establish a framework for future negotiations. During the talks to be held in Mexico, the peace plan drafted by the government will be presented to the Guatemalan National Revolutionary Unity [URNG] for its approval. The URNG leadership has rejected many of the terms of the government peace plan beforehand because it considers it unacceptable and argues that it implies the surrender of rebel forces. On the night of 21 December,

Hector Rosada Granados, the chairman of the governmental commission, confirmed the date of the next meeting to resume the peace talks.

[Begin recording] [Rosada] Today the date was officially announced by the UN secretary general's spokesman.

[Reporter] How would the government view [words indistinct]?

[Rosada] We knew there was going to be a meeting. What happened was that we agreed with the United Nations that we were not going to reveal any information until it was officially announced. We knew that the meeting was going to be held some time in January, but the exact date depended on many factors as I said other times—we had to get the guerrilla leadership, the government, the United Nations, and the Mexican Government to agree on it. Fortunately, it was officially decided yesterday that the talks will be held 6-9 January.

[Reporter] So the United Nations has sent official notification to Guatemala?

[Rosada] Yes. I received an unofficial dispatch, and later, around 1500, I received a telephone call and was told that at that moment—1200 New York time—the UN secretary general's spokesman had disclosed the information on the dispatch.

[Reporter] What do you think about the Bishops Conference not allowing Monsignor Quezada Toruno to participate?

[Rosada] It is regrettable. We respect the decisions by the Bishops Conference. We hope that during this process and immediately after the conclusion of the first meeting, and once we have outlined a framework for negotiations, the Bishops Conference will reconsider its decision and Monsignor Quezada Toruno will be allowed to participate in this process.

[Reporter] What points will be discussed in this first meeting?

[Rosada] The meeting will focus on one point, which is the discussion of a new framework for negotiations. [end recording]

URNG Denies Ownership of Arms Shipment

PA2412000193 Madrid EFE in Spanish 0332 GMT 23 Dec 93

[Text] Mexico City, 22 Dec (EFE)—The Guatemalan National Revolutionary Unity (URNG) denied here today that it is the owner of an arms shipment seized by the Guatemalan Army.

The Guatemalan guerrillas stated in a communique released in Mexico City that the URNG "has nothing to do with the alleged arms shipment that was recently seized" and that supposedly was sent by the former Salvadoran guerrillas. According to the URNG, Guatemalan Defense Minister Mario Enriquez announced one week ago that he had reports indicating that weapons from Mexico and El Salvador for the Guatemalan guerrillas would be entering the country before the end of the year.

The Guatemalan Army announced it seized a shipment of weapons that supposedly belonged to the Farabundo Marti National Liberation Front (FMLN) and were destined for the URNG. "This is obviously a publicity maneuver to harm the FMLN's political image and to claim a false victory over the URNG," the Guatemalan guerrillas charged.

Guatemalan military sources indicated that the shipment included pistols, AK-47 rifles, Chinese-made rockets, and other long range weapons which were not detailed and which arrived in two boxes inside a cargo truck from El Salvador. The Army did not indicate when the shipment was seized or the number of weapons, but it stressed that in its opinion, the shipment proves the FMLN's military support for the Guatemalan guerrillas. "One's attention is drawn to the fact that for some weeks, the defense minister has been announcing the future seizure of arms shipment and today he announces this seizure," the URNG stated in its communique.

Arnoldo Ortiz Confirmed as Government Minister

PA2412030793 Guatemala City PRENSA LIBRE in Spanish 23 Dec 93 p 2

[Text] President Ramiro de Leon Carpio has confirmed Government Minister Arnoldo Ortiz Moscoso after meeting with his cabinet on 21 December.

Ortiz announced his confirmation during a news conference at the National Police Palace, where he attended a Christmas party.

The minister said that next year he hopes to implement a security system called Alarm and Report at the National Police. He added that a three-digit telephone number will be established to receive reports of any acts of violence or common crimes. The identity of the informers can remain confidential, Ortiz added.

Concerning prison escapes, mutinies, and deaths, the minister said that security systems are being revamped, and evidence of this is that the women's prison already has modern equipment.

Ortiz added that the purchase of weapons and equipment, valued at 4 million quetzals, for the National Police was already approved.

Meanwhile, General Mario Rene Cifuentes Echeverria, National Police director, has said that the institution will put up 160 billboards along the highways to prevent accidents during the Christmas holidays.

Nicaragua

Government Says UNO Wants 'Removal' of Chamorro

PA2412005193 Panama City ACAN in Spanish 2123 GMT 23 Dec 93

[Text] Managua, 23 Dec (ACAN-EFE)—The leaders of seven parties that belong to the National Opposition Union (UNO), which is demanding the establishment of a constituent assembly, actually want "the removal" of President Violeta Chamorro, the Nicaraguan Government said today.

Delegates of seven of the 10 parties that belong to the UNO, a former Chamorro ally, signed a document on 16 December committing themselves to collecting thousands of signatures from citizens to demand the establishment of a constituent assembly that would draft a new Constitution for the country.

In a communique issued in Managua, the Information and Press Directorate of the Presidency of Nicaragua states that the true intention of those seven parties is "a change in government, including even the removal" of Chamorro.

The opposition alliance's decision was made after issuing a 15 December deadline to the government and Sandinist National Liberation Front to change the current parliamentary leadership to restore a UNO majority in that chamber, which has 92 deputies.

The UNO lost its majority after a dozen of its deputies deserted and established the so-called "Center Group," which allied with the Sandinists to distribute among themselves leadership positions in parliament.

Weeks ago commissions of the UNO and Sandinists negotiated "a package" of partial reforms to the country's Constitution, which was promulgated in 1987, but the alliance's Political Council rejected the package, because the deadline to recover the parliamentarian majority won in the 1990 elections had expired.

The Independent Liberal Party, Neoliberal Party, Liberal Constitutionalist Party, National Conservative Party, Communist Party, National Action Party, and Social Democratic Party signed the document which also claims that the executive branch has failed to fulfill agreements of the negotiations between the two parties to end the crisis.

The three other parties, the Nicaraguan Democratic Movement (MDN), Conservative Popular Alliance, and Christian Democratic Union (UDC), which are still officially part of the UNO, did not sign the document, because they only support the partial reforms to the Nicaraguan Constitution.

The government gave assurance that the negotiations with the UNO "have never been paralyzed," adding that no definitive agreement has been reached, because the UNO demanded 50 percent of the 13 cabinet posts.

Government and UNO commissions have met since May and have reached agreements on the reorganization of the judicial and electoral branches, the Armed Forces, and other issues.

LA PRENSA President Explains Resignation

PA2412012093 Managua LA PRENSA in Spanish 20 Dec 93 p 14

[Article by Cristiana Chamorro B., former president of the LA PRENSA board of directors: "Open Letter to the LA PRENSA Family"]

[Text] More than one month ago I invited the members of the LA PRENSA board of directors to meet to elect a new board of directors. I formally convoked the meeting because I felt there was an obsession on the part of my father's brothers to reduce to a minimum the participation of my mother, Violeta de Chamorro, whom I represent in LA PRENSA.

After months of patiently observing the efforts they made and the time they lost making decisions uselessly directed at reducing the authority I have on the newspaper of the Nicaraguans—an authority I have won not by holding the post of president of the board of directors but by my own efforts of work and struggle—I thought that by offering them the presidency, I could turn their attention to the urgent need to modernize and professionalize LA PRENSA.

I have always been responsible in carrying out my commitments, and with that in mind I held the presidency of the company, committed to the evident need to professionalize the newspaper and to serve the LA PRENSA family. This is a serious responsibility which for me goes beyond the physical limits of our organization, which we all compose: its workers, readers, contributors, clients, advertisers, distributors, vendors, and other Nicaraguans who for many reasons are part of this newspaper. Nevertheless, I believe we should give the greatest responsibility to he who feels that because he has a majority share, he has the right to impose his viewpoints without listening to our opinion.

Today I want to publicly thank the members of the board of directors who accepted my decision to resign as president of the board of directors. I do this so there will be no misinterpretations, making it clear that I resigned of my own free will, without harboring resentments, something I have never done. Although it seems paradoxical, I thank God that the sterile and wasteful struggle by my mother's partners and my father's brothers to sideline her from LA PRENSA, strengthened our conviction that we are not in our newspaper to fight with them over a title, a position, access to the company's books, to have a name or to gauge strengths for majority or minority shares, and much less to lose patience.

My mission is another. I continue in LA PRENSA because the journalism ideal I have pursued since I joined the newspaper of the Nicaraguans for the second time in 1981 is too high to discourage me and much less to make me rest. I have the satisfaction of having won the opportunity I needed so that, along with my mother, Dona Violeta, LA PRENSA could be reopened in 1987 with the determination of welcoming the Esquipulas Agreements, closing the doors to the war and opening the doors to the civic struggle, until we reached full freedom of expression, held free elections, and achieved the return from exile of my uncle, Jaime, and my brother, Pedro, to again rejoin LA PRENSA.

The reason for my perseverance does not lie in my concern to have greater or less influence or obtain greater or less profits than others in this enterprise. My perseverance is based on the commitment I have as daughter of Pedro Joaquin Chamorro Cardenal and Violeta Barrios de Chamorro, whose children were educated for freedom and independence but with the mandate to be bearers of an ideal and a message of liberty, democracy, and social justice for Nicaragua.

As sole representative of my mother Violeta Chamorro in LA PRENSA, I gladly accept the new position I have been assigned on the board of directors. I have the right to accept it because of the quality of the partner that I represent. As a result, I hope to have more time to exercise my profession, seeking truth and space in LA PRENSA to serve Nicaragua, the LA PRENSA workers, civilian society, local communities, children, authorities, women, non-governmental organizations, students, fellow journalists, and other citizens who specifically work to benefit communities and serve the country.

I will continue here at LA PRENSA, upholding the principle that we should be an independent daily, against everything that represents oppression, imposition, and immorality. We should share LA PRENSA's columns with all those who are friends and enemies of our principles and ideas—as long as they express their concepts within the limits of the truth. We should not obey anyone's orders, trying only to fulfill our tasks of informing and educating, within the boundaries of the strictest justice and morality. Over and above the political interests of our friends, readers, or associates, should prevail the defense of the nation's main and vital interests, as well as a political position linked to everything that means the strengthening of democracy and the effective establishment of true social justice from a humanistic and universal perspective.

I believe that LA PRENSA's team has the willingness and the conviction to meet those principles because these are like the 10 commandments of the law. We inherited these from my father, they are valid at all times, for yesterday's dictatorship and for today's democracies. I believe that LA PRENSA is and should continue to be the newspaper of greatest influence in the nation. Anything that occurs in LA PRENSA undoubtedly has a bearing on public opinion and on Nicaragua's stability; therefore our challenge and our responsibility is greater than the rest of the written press. We should respond to this challenge by struggling to maintain our true identity but at the same time assimilating modernization. This unavoidable modernization demands a revision in managing the newspaper.

I leave the presidency of the board of directors proposing the dissolution of the board of directors based on an agreement reached among all. I suggest the urgent need for only one director, appointing Pedro Joaquin Chamorro Barrios, with the support of a board of directors and with the mandate to consolidate LA PRENSA's team thereby stamping on the newspaper greater sensibility, interest, dynamics, and professionalism. In the newspaper business someone has to have authority so that the headlines are in keeping with the item's contents, so that there are no contradictions in editorial content, no mistakes or delays in the news service that the audiovisual technology transmits almost simultaneously as these are being produced. In a newspaper there is no room for slackness, standing still, or retreating. We should be leading the changes that are taking place in Nicaragua, we should give our readers answers and not lag behind. Much less, should we believe that everything is all right and that we can live on our good name, tradition, and prestige. This will only weaken us in front of our competitors whom we must not underestimate.

I say farewell to LA PRENSA's presidency, fraternally and with faith in God, recalling my father and with hope in my uncles. I hope they will receive this decision to concede LA PRENSA's presidency as an invitation to reflection and to be convinced that Nicaragua needs new journalism in LA PRENSA, as an equalizer of passions, a sensible voice that invites reflection in difficult times. My contribution will be unconditional along these lines.

Jaime Chamorro Appointed President

PA2412024893 Panama City ACAN in Spanish 2240 GMT 23 Dec 93

[Text] Managua, 23 Dec (ACAN-EFE)—LA PRENSA sources reported today that Jaime Chamorro Cardenal, brother-in-law of Nicaraguan chief of state Violeta Chamorro, has been elected president of the daily.

Cristiana Chamorro, who resigned from that post on 21 December, is one of President Chamorro's daughters. She will remain on the newspaper's board of directors as a member. She has reported that her resignation was due to disagreements with other members of her family, who own the newspaper. The change does not affect the board of directors leadership, which is still headed by poet Pablo Antonio Cuadra and Horacio Ruiz.

In an open letter published in the editorial pages of LA PRENSA, Cristiana Chamorro, who is married to Presidency Minister Antonio Lacayo, has said that she does

not agree with reducing her mother's presence in the newspaper "to a minimum," as other members would like.

The Chamorros are divided as a result of their different positions in Nicaraguan politics, with some favoring the government's thesis while others favor the position of the National Opposition Union, the alliance that took the president to power and afterward became her most severe opposition.

Members of the Chamorro family head three of Nicaragua's most important dailies. Xavier Chamorro, brother of the new LA PRENSA president, is director of the pro-Sandinist EL NUEVO DIARIO. BARRICADA, which the Sandinist National Liberation Front owns, is directed by Carlos Fernando Chamorro, son of the Nicaraguan president.

The new LA PRENSA president is a member of the National Conservative Party board of directors, one of seven parties that compose the UNO [National Opposition Union] alliance.

Army To Sue LA PRENSA Director for Slander

PA2412180293 Managua Sistema Nacional de Television Network in Spanish 0100 GMT 23 Dec 93

[Report by Erica Ramirez; from the "National Newscast"]

[Text] The Army will sue LA PRENSA director Don Pablo Antonio Cuadra for slander and libel over reports published on the military situation in northern Nicaragua. Poet Pablo Antonio Cuadra, however, said it is his duty to report the events and that the Army should rebut the charges.

General Humberto Ortega, commander in chief of the Sandinist People's Army [EPS], summoned a news conference to announce that the EPS will bring slander and libel charges against LA PRENSA Director Don Pablo Antonio Cuadra.

[Begin Ortega recording] Mr. Cuadra must prove these irresponsible charges. Mr. Cuadra printed in LA PRENSA that the Air Force destroyed homes and villages. To be specific, his article states that five helicopters bombed a 40-family hamlet. Mr. Cuadra published a picture that does not match the report. The picture is part of another story, a group of dead criminals who were shot down while committing crimes. [end recording]

Don Pablo Antonio Cuadra said the Army should clarify reports of bombings in northern Nicaragua made by human right organizations and other media.

[Begin recording] [Cuadra] Never when I have written—not just now, because I have been writing for I do not know how many decades—never have I committed libel against anyone. That is not my writing style, and the whole country knows it. There is no libel and there is no slander. I did not say that this or that occurred. I cited events that have been reported and not denied, so there cannot be any slander. The incidents on which I reported, the aerial bombing, for example, LA TRIBUNA used three pages to report it. Radio Corporacion discussed it; the bishops spoke about it; the human rights people have spoken about it. If so many serious institutions have spoken about these events and they have not been refuted, why does Ortega call it libel when I list these events to ask that the killings stop? I was not using these facts to declare a war, even though they are backed by institutions. No, I only ask that peasants not be killed.

[Ramirez] But Don Pablo Antonio, would you be willing to respond in this trial?

[Cuadra] He wants me to prove it. I do not have to prove anything. These are things that have been reported in every newspaper. They are on record in these institutions. All I have done as a newspaper director is defend Nicaraguan peasants. I believe the peasants of northern Nicaragua are a credit to the country. [end recording]

He added that aside from defending himself locally, he intends to summon international organizations such as Amnesty International and the OAS.

During his news conference, Gen. Ortega added that criminal armed groups still operating in the country will be fought with the full force of the law. He described the rebellious activities by Special Disarmament Brigade members in Matagalpa as extreme.

Human Rights Situation Worsens in 1993

PA2512184793 Managua BARRICADA in Spanish 24 Dec 93 p 4

[Text] Vilma Nunez, president of the Nicaraguan Human Rights Center (Cenidh), has said that the human rights situation in the country deteriorated this year. She added that the National Police reportedly committed the most violations, followed by the Judicial Branch.

According to an annual report presented by Nunez, 780 cases were reported in 1993, of which 433 were serious violations of human rights. Some 76 of these cases were attributed to the National Police and 24 to the Judicial Branch. Among the main rights violated this year, the Cenidh mentioned the right to individual freedom, with 36 confirmed cases; the right to personal safety, with 32 reported cases; 15 violations of labor rights; and 10 cases of unequal treatment before the law.

The report added that within the context of the political polarization currently affecting the country, there have been 494 murders, 50 percent of whom were Sandinists, and the rest former members of the Nicaraguan Resistance or peasants without any political affiliation.

Facilities

Nunez said the institution she heads carried out 32 investigations on group conflicts that required special reports. In this area, Nunez admitted that government

institutions give human rights organizations wide-ranging opportunities and facilities to conduct their investigations. She noted, however, that there have been very few replies and solutions from the authorities.

Nunez stressed that the Supreme Court of Justice, Government Minister Alfredo Mendieta, and the Military Auditing Office are among the institutions or individuals that do not even acknowledge receipt of the cases presented for consideration.

Throughout the year, there have been 52 labor conflicts, four hunger strikes, seven occupations of land, and 35 evictions—seven of which included violence and followed orders issued by judges, Alma [Managua Mayor's Office], or the National Police—Nunez concluded.

Panama

Poll Shows Carles Most Popular Presidential Candidate

PA2412153493 Panama City EL SIGLO in Spanish 23 Dec 93 pp 1, 12

[Text] Without additional comment, we are publishing the "Marketing Ideas" firm's report on a poll on presidential candidates and hopefuls taken between 16 and 20 December. The surprising results reflect the incredible and overwhelming progress made by Professor Ruben Dario Carles over all other candidates. The report is as follows:

The results of a poll have shown us how former Comptroller General Ruben Dario Carles has surprisingly become the favorite candidate of voters in most electoral districts, even in those districts where until recently the well-established parties predominated. Such is the case in San Miguelito District 8-6, which had always favored presidential candidates Ernesto Perez Balladares and Ruben Blades from the Democratic Revolutionary Party [PRD] and the Papa Egoro Movement, respectively. In this electoral district, 24.8 percent of those polled said they would vote for Carles, 18.4 percent for Blades, and 15.6 percent for Perez Balladares.

La Chorrera District 8-5 is the electoral district where Carles received the lowest number of votes, 3.6 percent. However, this electoral district also had the highest number of undecided voters, 50 percent.

There seems to be a correlation between electoral preference and undecided voters. Chart 2 [not included with article] shows that since Carles entered the political arena, all electoral districts except for District 8-5 (50 percent undecided) show a considerable increase in their support for the candidates of their preference, with an average of only 27.3 percent undecided.

Based on the six electoral districts included in this study, which accounts for more than 50 percent of the country's voters, 19.7 percent of those polled said they would vote for Ruben Dario Carles in the upcoming 1994 elections; 16.4 percent said they would vote for Ruben Blades; and 15.5 percent said they would vote for the PRD's Ernesto Perez Balladares.

Guillermo Ford received 7.5 percent of the votes, followed closely followed by Mireya Moscoso de Gruber, presidential candidate for the Arnulfist Party, with 7 percent. Ricardo Arias Calderon received 6 percent. Mario Galindo, David Guerra, Samuel Lewis Galindo, and Tomas Herrera did not receive more than 1 percent of the votes.

Undeniably, the emergence of Ruben Dario Carles as a presidential candidate in the upcoming 1994 elections has changed all the perspectives from just a few days ago.

Carles' participation has clearly helped a large number of undecided people to define their political outlook, because the amount of undecided votes is decreasing. Carles' emergence has also prompted supporters of other candidates and members of other parties to change their political stand, which appeared to be very stable until just recently.

First Presidential Study—Methodology and Analysis

For this study, 1,250 people were polled. They were men and women of voting age residing in electoral districts 8-5, 8-6, 8-7, 8-8, 8-9, and 8-10. The breakdown is as follows:

Electoral District	Number of People Polled
8-5	112
8-6	326
8-7	146
8-8	163
8-9	268
8-10	235

This poll was conducted between 16 and 20 December, and it has a 3 percent margin of error.

Argentina

Cavallo To Defend Convertibility Plan Before Congress

PY2312230793 Buenos Aires CLARIN in Spanish 22 Dec 93 p 2

[Article by Miguel Angel Rouco]

[Text] Economy Minister Domingo Cavallo is preparing to defend his economic plan before the Chamber of Deputies and to prove that the deficits incurred by the provinces are the result of electoral promises and commitments. He bases his case on one concrete fact: The debts of the provinces doubled in the last quarter. The election campaign that led up to the 3 October elections took place during that period.

That is the synthesis of the report drafted by Cavallo—once again strictly within his role as a technocrat—to measure his strength against deputies and explain to them the crisis confronting several provinces, and especially Santiago del Estero. This virtual interpellation is scheduled for today, but there was doubt last evening whether it would really take place as scheduled.

The report drafted by the Economy Ministry makes an in-depth study of the accounts of several provinces. It has a special chapter on Santiago del Estero's financial situation, which reportedly reveals that the chaotic financial situation is directly linked to the recent electoral process. A supplementary report by the Economy Ministry contends, for example, that the number of civil servants in Santiago del Estero rose from 31,000 to 40,000 during the pre-election period.

The figures that Cavallo will present to the Chamber of Deputies seek to prove how the adjustment was made during 1993 and outlines what is in store next year when the federal government intends to put the accounts of the provinces in order via Fiscal Pact No. 2.

CLARIN had access to a document that contains the most salient points of the official arguments. True to his style, Cavallo will provide a thorough analysis and promises to use forceful arguments in his specialty field—figures.

The main highlights are:

—The liabilities of the provinces total $1.5 billion in 1993.

—Nearly half the provinces are enmeshed in serious economic and financial problems. This means adjustments must be made in the shortest possible time to avoid a repetition of problems like those that occurred in Santiago del Estero.

During his briefing before the Chamber of Deputies, the minister will argue that the bad administration of provincial governments is to a great extent to blame for this state of affairs.

This piece of information may have a boomerang effect for the ruling party because the majority of provincial administrations are in the hands of Justicialist Party members.

Some of the main causes of the financial problems listed in the document are:

—A significant increase in expenditures in many administrations.

—An increase in the payroll and salary increases for high-ranking servants.

Cavallo will describe the historic evolution of the resources and will prove that the revenues of the provinces—which are obtained through the appropriation of federal funds and other specific funds—have increased in an exponential manner and thus refute those who accuse him of having transferred services from the federal government without transferring resources.

A curious and interesting paragraph in Cavallo's document refers to the liabilities of the provinces.

The figures handled by the Economy Ministry reveal that prior to August the figures in "red" of the interior—which strictly refer to the "need to finance"—totaled $800 million. Since September, during the last quarter of the year, the debt doubled.

When it comes to giving a political explanation at the Economy Ministry very few want to speak. Many agree, however, that the 3 October elections were the main cause.

One ministry servant was heard to say: "Electoral promises must be honored after the elections. The figures tell the story." This sarcastic comment referred to the political favors, posts, and increases promised to collaborators and friends in the midst of the electoral campaign and those distributed shortly before the elections, as shown by the figures handled by the Economy Ministry. Aside from any presumptions, the minister's report will reveal many concerning cases with unpredictable consequences. The monitoring of provinces such as La Rioja, Chaco, and Jujuy has most of the national cabinet on alert.

Cavallo will insist before the Chamber of Deputies on the need for all the provinces to sign the fiscal pact. He will also try to protect the convertibility plan from any criticism. He will try to prove that the program did not affect those provinces that implemented strict fiscal discipline.

Congress Approves 1994 Budget Bill

PY2512180993 Buenos Aires CLARIN in Spanish 23 Dec 93 p 27

[Text] The Senate early today approved the 1994 budget, which already had been approved by the Chamber of Deputies. Consequently, the plan designed by Economy

Minister Domingo Cavallo received the blessing of Congress without undergoing substantial modifications to its original text.

The Debate

Senator Juan Carlos Romero was the Justicialist Party bloc's spokesman. He explained that the bill has "many critical aspects." Among them he mentioned "the estimated figures, which are a bit optimistic and depict a situation of prosperity that can drive us away from equanimity."

For his part, liberal Jose Antonio Romero Feris became the spokesman of the sector that has been most critical of the government-sponsored bill. He said the bill "is simply an authoritarian list of targets and objectives."

The executive branch might promulgate the 1994 budget before the end of the year.

One of the budget's main features is that it does not provide for an increase in the overall tax burden compared with 1993. This means that the scheduled reduction of taxes in the production sector—which will seek to reduce entrepreneurial cost—will be compensated for by increased consumption taxes.

As for public spending, it also will stay at 1993 levels—approximately 4 billion pesos—although in real terms it will increase by 10 percent because 1993 spending was cut by that percentage.

The 1994 budget also provides for a combined inflation rate—wholesale and retail prices—of 4 percent, and annual GDP growth of 6.5 percent.

Another outstanding feature is that the nominal exchange rate will not be modified. The budget estimates a rate of one peso to the dollar.

In the area of state jobs, the budget provides for a 9.3 percent growth in the salary total compared with 1993. The budget, however, does not provide for any salary increases. Budget figures include an implicit reduction in the number of public servants: 9,700 throughout the year.

Concerning the distribution of allocations, only the Foreign Ministry and the presidency had theirs reduced. The other ministries will have higher allocations, especially in connection with state expenses in the social sector: Allocations for the programs to fight unemployment, health plans, and the education, science, and technology plans will average 20 percent above their 1993 level.

The budget also provides for a 257 million-peso increase in the Armed Forces' allocation. Most of this money will be used for equalizing retired personnel allocations and active-duty personnel salaries. This information was released by Finance Secretary Ricardo Gutierrez.

Economy Ministry Evaluates Situation in Provinces

PY2412170893 Buenos Aires CLARIN in Spanish 22 Dec 93 p 3

[Text] According to a report prepared by Economy Minister Domingo Cavallo to defend his program before the Chamber of Deputies, the deficit in the provinces grew from 800 million to 1.5 billion pesos as a result of political spending prior to the 3 October elections. For example, regarding Santiago del Estero, the report says that during the pre-electoral process the number of public servants grew from 31,000 to 40,000 and the salaries of higher-level employees were increased without financial backing. The report admits that the situation is worrisome in several provinces and that the minister advised the governors to face the crisis. There were incidents in Santiago del Estero on 21 December, and a march by public servants in Jujuy today is expected with much tension. Concerns in Chaco and La Rioja Provinces also continue.

Diagnosis of the Economy

Buenos Aires: Despite its gigantic state apparatus, it has a deficit of only $180 million a year with resources of about $6.4 billion a year. With some savings the situation can improve.

Catamarca: It was able to balance its spending but the situation worsened. It has a deficit of $6 million a year. It is a worrisome situation.

Cordoba: Its situation is being followed closely. The provincial bank continuous to have serious problems. The 1994 budget shows a $400 million deficit.

Corrientes: Very difficult situation. Only the demanded debt was refinanced with a medium-term national loan that will have to be paid.

Chaco: Serious. There are criminal charges against the provincial bank for illegally holding social security contributions. It owes half the bonus and part of salaries.

Chubut: The problems have returned. Funds were used for routine spending and payments were made against the Bocon [Consolidation Bond] funds for oil royalties.

Entre Rios: There is a trend of improvement and normalization. It has good prospects.

Formosa: There is a slight improvement. It has serious structural problems.

Jujuy: There is a slight improvement after the known problems. It is moving toward a balanced situation very gradually.

La Pampa: Without problems. Very good administration.

La Rioja: Extremely delicate. Back salaries are owed. The provincial bank continues under the protection of the Argentine National Bank. It lacks a way out and has strong political instability.

Mendoza: Without problems. A balanced situation and good administration.

Misiones: The problem with the provincial bank and the Urugua-I dam continues. It improved its accounts and there is a trend to balancing it.

Neuquen: Salaries for public servants were increased. The teachers are the best paid in the country. Salaries are being paid with oil royalties. A situation that should be followed closely.

Rio Negro: Complicated financial situation. It increased its routine spending. It already has spent the funds from oil royalties.

Salta: Stable within its serious situation. It owes half the bonus. There is political opposition to carrying out the economic adjustment. It is a worrisome situation.

San Juan: Its situation has worsened. Its debt is constantly growing through the public companies, which will have a repercussion on the provincial treasury.

San Luis: A balanced situation. Good administration.

Santa Cruz: It improved a lot and is trying to update its accounts. Its oil royalties are intact. Good prospects.

Santa Fe: It tends to consolidate a balanced situation. The deficit is controllable.

Tierra del Fuego: Distortions must be corrected. There has been a dangerous increase in routine spending since it became a province.

Tucuman: It is worrisome. The imbalance is stable. There is growing political opposition to the economic adjustment. The outcome is uncertain.

Federal capital: Its spending was dangerously increased despite the large debt left by the previous administration. It is a worrisome situation.

Cavallo Makes Recommendations

PY2412171493 Buenos Aires CLARIN in Spanish 22 Dec 93 p 2

[Text] Economy Minister Domingo Cavallo on 21 December made several recommendations to the governors on the best way to manage provincial resources to prevent the type of violence that occurred in Santiago del Estero on 16 December. Cavallo's recommendations combine fiscal adjustment with political criteria to be put into practice.

Cavallo's recommendations were released on 21 December at a news conference in the Economy Ministry. He said:

"Our recommendation to all governors is that they should be concerned about giving, from the highest levels, permanent examples of austerity and equity in the management of provincial resources.

"They should pay salaries, pensions, and bonuses, always starting with the public servants with the lowest salaries.

"The support of low-income people cannot be obtained if the executive and legislative levels give no clear signs about equity and efficiency in the administration of public money.

"In the case of Santiago del Estero, we sent funds before the violent events occurred. It was made as a loan with the governor's commitment to remove the causes that created the high increase in public spending."

Governors Go to Cavallo's Office, Demand Money

PY2412023193 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1255 GMT 23 Dec 93

[Text] Buenos Aires, 23 Dec (NA)—Several governors have marched to Economy Minister Domingo Cavallo's office demanding fresh financing with which to face the payment of salaries and bonuses, but only the governors of Entre Rios and Chaco received satisfactory answers to their demands.

Meanwhile, the governors of Corrientes, Raul Romero Feris, and of Salta, Roberto Ulloa, had to leave the Finance Ministry "without a single peso," as admitted by Romero Feris in brief remarks to the press.

The four governors, although they admitted delays in the payments of salaries to public employees by between 15 and 30 days, ruled out the possibility of their territories being the stages for revolts similar to those in Santiago del Estero, and insisted that those who had been laid off from state administrations must have alternative employment opportunities.

Entre Rios Governor Moine received the best compensation, when the government recognized a national debt of 22 million pesos for an investment made by the province in the construction of the Santa Fe-Parana gas pipeline.

This debt will be paid in Bocones [funding bonds] or Botes [expansion unknown] before 15 January, and will "enable the province to solve its most urgent financial problems."

He reported that salaries have been paid to public administration employees since Monday, and admitted that there is "a delay of 20 days in the payments, which undoubtedly implied a political setback."

Moine explained that he had placed in Cavallo's hands a detailed report on the progress of his management, and recalled that while during the first eight years of the democratic administration 17,000 employees were

hired, in the two years of his administration "we stopped the hiring machine, and achieved the voluntary withdrawal of 2,000 people."

He said that for next year "we estimate the withdrawal of 1,000 employees more, and some 500 retirements, and will achieve by the end of the administration a reduction of 5,000 public employees."

Meanwhile, Chaco Governor Tauguinas demanded a financial advancement of 18 million pesos, and achieved "a commitment from Cavallo to transfer to that province 12 million pesos."

Those funds are necessary to pay debts to public employees for the nonfulfillment of the payment of last June's bonus.

He said that November salaries had already been paid, and that he expects to pay the debt to retired personnel "before next Friday."

When asked about the Santiago del Estero syndrome, Tauguinas said that the lack of payments of December salaries will not cause any types of disturbances in his province, "but having a few pesos before the year-end celebrations always calms the spirits."

The Corrientes governor from the Liberal Autonomous Pact (PAL) was frank at the end of the meeting, saying that "we came to seek solutions, but I must tell you that we are not taking away with us a single peso."

Romero Feris told the minister that Corrientes state companies have not yet received November salaries, that there is no money for December, and that for this reason "we feel we have a deficit of approximately 45 million pesos to this purpose."

He insisted that the province needs a refinancing of its debts contracted with the nation, and added that "the nation cannot take away a single cent more from the federal funds allocated for provinces for the loans of 70 million pesos received by former trustee Claudia Bello."

Moreover, Governor Ulloa asked the finance minister for the difference in the contributions of the National Housing Fund (Fonavi).

"The situation in our province is different from the painful situation experienced in Santiago del Estero," he said. He added that the reorganization of the Chaco state apparatus has allowed for a reduction of 5,000 employees.

He explained that in Salta there are no outstanding salary differences, and that while he is not receiving his salary a minister receives 2,850 pesos, and that there is a salary delay of approximately 15 days.

Senate Approves Fishing Agreement With EEC

PY2412142493 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1318 GMT 23 Dec 93

[Text] Buenos Aires, 13 Dec (NA)—The Senate has approved by a majority and made into law the fishing agreement with the EEC despite strong arguments by the Radical Civic Union [UCR], which pointed out the lack of a law for this sector of the economy at the national level.

After a harsh debate between the representatives of the government and the opposition—Justicialist Party Senator Luis Rubeo, UCR Senator Hipolito Solari Yrigoyen, and Justicialist Party Senator Antonio Cafiero—the agreement by which Argentina hopes to secure the EEC market for its fishing exports was finally approved.

Rubeo supported the agreement approved by the majority based on the country's fishing growth in the last few years, especially in 1991 when fishing production reached 630,000 metric tons, and exports $407 million, which put meat in second place.

Regarding the increase in exports, Rubeo said the fishing industry exports 90 percent of its production and the EEC is its main commercial partner, receiving 56 percent of its 1991 fishing production.

"The agreement says the fish captured under the agreement's regulation will have the EEC market ensured based on a supply priority system made by the companies subject to the agreement," said Rubeo upon evaluating the exports increase that will represent an additional $121 million a year.

Regarding tariff preferences, Rubeo said Argentina obtained an average reduction of 50 percent of the tariffs applied by the EEC on fishing imports for its market.

Solari Yrigoyen said that at the time of the agreement's signing "Argentina finds itself unprotected: The country does not have a fishing law despite all the efforts made by the UCR to have a law approved."

Solari Yrigoyen proposed on behalf of his bloc the rejection of the agreement because he believes the agreement will bring "more harm than benefits."

In an ironic manner, Solari Yrigoyen pointed out that while Argentina is denied a law regulating national fishing activities, "agreements similar to the one approved today are announced with Asian countries," and "legislation was approved by decree for fishing squid with the Japanese, Korean, and Taiwanese; a pact was made with the British behind the back of Congress; and negotiations will be held with Morocco and Russia."

Solari Yrigoyen then warned about the overexploitation of fishing resources by saying that the volume of fish committed to the EEC "jeopardizes the fishing resources of the Argentine sea, especially the hubbsi [as received] hake and squid, which are being overexploited."

Solari Yrigoyen said: "We will have to establish prohibitions and this will hurt national and foreign industrialists who invested in the country and give jobs to fishermen, workers, and professionals."

Bolivia

Aranibar, Argentine Counterpart Sign Agreement

PY2312123093 La Paz Television Nacional Network in Spanish 0100 GMT 23 Dec 93

[Text] Within a cordial and friendly atmosphere, Argentine Foreign Minister Guido Di Tella and Bolivian Foreign Minister Antonio Aranibar today signed a bilateral agreement to further enhance ties between the two countries. They paid special and preferential attention to energy integration. The two foreign ministers agreed that this represents a key issue in relations between Bolivia and Argentina. The Argentine Republic's far-reaching project involves transforming the Southern Cone into a leading natural gas supplier.

[Begin Di Tella recording] Bolivia and Argentina are the main countries because they are producers. Other countries may join. Peru has discovered gas fields that are not too far away. We may include them. Nevertheless, it is important to have global actions, both for the supply and the demand.

We have to complete the studies on the reserves because there will be major investments, among the most significant ones in Latin American projects. [end recording]

With the goal of effectively implementing the Mercosur [Common Market of the South] countries' announced willingness to establish special ties with Bolivia, Foreign Minister Di Tella confirmed his country's willingness to have Bolivia join this international organization as a member:

[Begin recording] We view this favorably. There are problems that must be recognized as such and we want to find a solution to them.

During the next summit in Colonia, Uruguay, we will discuss Bolivia's proposal to the four Mercosur countries to begin negotiations. The four Mercosur countries will first negotiate a free trade treaty with Bolivia. We believe this is the first stage. [end recording]

The two foreign ministers confirmed the importance of the Paraguay-Parana waterway project that will allow the region's physical and economic integration. They also admitted the importance of the Pilcomayo River basin for the development of the tripartite Chaco region shared among Bolivia, Argentina, and Paraguay.

Central Bank President Dismisses Recession Reports

PY2512181493 La Paz LA RAZON in Spanish 7 Dec 93 p B2

[Text] Central Bank of Bolivia (BCB) President Fernando Candia said: "The economic situation is normal," and in response to businessmen, asserted that there is no recession since the growth and stability indicators speak for themselves.

Refuting the statement made by the National Chamber of Industries, which argued that an economic slump is hitting the country, Candia stated that the market determined the allocation of financial resources for the purchase of certificates of deposit (CD's) from the BCB and for legal reserves above the minimum established level. "We continue to grow, inflation is going down, and the country's balance of payment position has been strengthened," he said while asserting that the economy's future next year is quite promising.

Candia also denied remarks made by Bank Superintendent Ramiro Cabezas, who spoke about a liquidity shortage due to the tightening of instruments of payment for curbing inflation. Candia believes this is due to the prudent and cautious attitude adopted by banks, which would rather keep their money in instruments and the BCB legal reserve instead of granting loans that have little guarantee of being repaid.

Candia labeled the reports on a liquidity shortage as exaggerated and explained that the economy gets financial resources from foreign credits, deposits, and capital that returns to the country. This money is deposited in banks and subsequently used by intermediary commercial establishments to grant loans for investments and consumption.

What happened, however, was that instead of following this circuit, the money was channeled through other routes—101.03 million bolivianos were invested in CD's and 23.75 million bolivianos are in current accounts, legal reserve surpluses, and available funds. Candia explained that on account of the lack of solid guarantees, banks preferred gaining a 6.5 percent interest rate that BCB CD's yield to giving loans to the public.

The BCB president added that this state of affairs is not due to the government's policy. It was the market that determined this accumulation of money in CD's and legal reserves. He contends that this accumulation of money causes interest rates to go down and reassures economic agents so they can make new investments.

Candia termed the diagnosis of a "recession" made by entrepreneurs and building contractors "excessive." They argue that the recession stems from the substantial debt the state has to private companies for the supply of goods and services.

In Candia's view, the speediest mechanism for the payment of government obligations would have been to

increase fuel prices, but this measure would have benefited a group of companies while the people would have been burdened with higher inflation. For the BCB president, "stability takes priority over everything else." He nonetheless made it clear that "stability is not an end in itself," but rather the sine qua non for generating growth in the productive sectors and enhancing the purchasing power of wages.

Taking stock of the government's action, Candia said the resumption of fiscal discipline is being made without trauma. Notwithstanding this, he conceded that some companies may "pass away" in this process so as to create better conditions that will facilitate the establishment of new companies.

* Minister Discusses New Plans, Privatization

94SM0125A Cochabamba LOS TIEMPOS (FACETAS Supplement) in Spanish 14 Nov 93 pp 4-5

[Interview with Minister of the Presidency Carlos Sanchez Berzain by Carlos Heredia Guzman, in Cochabamba; date not given; first three paragraphs are LOS TIEMPOS introduction]

[Text] For the past 100 days he has been minister of the Presidency of the Republic, the youngest minister in the cabinet of President Gonzalo Sanchez de Lozada. Since the most recent national elections Carlos Sanchez Berzain has been in the front row of national politics. He is 33 and already belongs to several professional bodies in Latin America and the United States. He is a lawyer by profession and due to the dynamic way in which he works he has held several important positions as a legal counsel, in addition to presiding over his own distinguished law firm. As a minister behind the scenes, he works with various sacred cows of the political party in power.

Last week Sanchez Berzain was in Cochabamba. Following are the notes which we made of his comments on the first 100 days the government has been in power. The right-hand man of the president has taken aim in a specific direction: fighting against corruption and bringing the people to face up to the realities confronting them.

The interview, far from the usual style, was a meeting in which he took advantage of the opportunity to develop the idea which concerns all Bolivians. Shortly before leaving Cochabamba, Carlos Sanchez Berzain received a FACETAS representative, and what follows is the result.

[Heredia] What happened during the first 100 days of the present government? Are you carrying out the "Plan de Todos" [Everyone's Plan]?

[Sanchez] I think that during the first 100 days in government we have provided the basic tools for implementing "Everyone's Plan." "Everyone's Plan" is basically founded on capital accumulation and the participation of the people. Neither of these two objectives has yet begun to be achieved. We cannot begin to achieve them if we do not change the administrative structure of the Executive Branch through the Law on the Departments of the Executive Branch and the regulations issued under it. We have taken that action, and it is a great tool for change. The means for implementing "Everyone's Plan" are practically ready, and we are reviewing them.

[Heredia] Is the "Plan Alivio" [Relief Plan] undertaken by the government a stopgap to deal with the crisis which the country is going through?

[Sanchez] The Relief Plan has two objectives. In the first place, it is a plan to deal with the present situation and, in that sense, it will provide relief. It is a stopgap for people who are unemployed after having lost their jobs. It is a temporary measure. It involves setting up a program of providing assistance for one year to those who have lost their jobs. This unemployment relief program, which is a social responsibility of the government, is the only such action to have been undertaken in any Latin American country. It represents an effort by the government to respond to a temporary, social problem, because the government continues to state that it is going to create 500,000 jobs. However, the Relief Plan has another objective, to be achieved over the medium term. It establishes the "Bolsa de Empleo" [Jobs Market], the instrument through which we are going to fight against the shortage of jobs. We are going to institutionalize the orderly employment of our country's human resources. More than that, in my view, it is the first step toward what could be considered a great, social aspiration, a collective labor contract.

[Heredia] You are talking about the medium term of years. Do you have in mind a specific time in which to achieve the objective of creating the 500,000 jobs provided for in "Everybody's Plan"?

[Sanchez] The 500,000 jobs which were mentioned during the election campaign are going to be provided over a period of four years. Of those 500,000 jobs we are talking about, approximately 270,000 are new jobs and 230,000 are upgraded jobs. The only way to generate jobs is by increasing the size and dynamics of our economy. The state does not have the capacity or the resources to do that. Therefore, job creation is based on the accumulation of capital, because the accumulation of capital presupposes the injection of several billion U. S. dollars to generate new, productive processes and to broaden the productive processes which we have. Consequently, this capital will generate and upgrade jobs.

[Heredia] And what does the term "upgraded jobs" mean?

[Sanchez] Upgraded jobs may be described as follows. Today a citizen may be working as a public employee—as a secretary, a doorman, a driver, or a technician. He or she receives a salary, let us say, of 400 or 500 bolivianos. With the same skills which he or she has, his or her services could be contracted for by a company or institution which would pay him or her more.

[Heredia] And why would that happen?

[Sanchez] Because when there is more investment, there is a greater need for workers. And the most skilled and most efficient workers will have an opportunity to choose jobs where they make more money. Those are the "upgraded jobs."

[Heredia] A new plan has emerged. Is this a plan to rehabilitate the mining industry or an emergency plan for the mining industry?

[Sanchez] The "Plan for the Mining Industry" is really an emergency plan. It becomes an emergency plan—as its name indicates—when there is a crisis. And the mining industry in Bolivia is in crisis. It is in crisis for several reasons. In the first place it is in crisis because there has been a generalized fall in the prices of minerals and metals on the international market. The reason for this fall in prices is basically the continuation of a prolonged and very serious world economic recession in the mining industry. This recession began in 1989. In the view of the government it can only be compared to the world depression which began in 1929. Therefore, there is a world crisis. Those external conditions have further resulted in the fact that the mining industry in Bolivia is going through one of the worst crises in its history. As a consequence, it has brought with it an impending paralysis of mining production in Bolivia, both in the public as well as in the private sectors.

That situation has had the further effect of creating conditions of extreme poverty in some traditional mining districts. This has affected former miners and their families. This situation requires state intervention. The state has intervened in this crisis situation with a "Mining Emergency Plan" which initially involves a program of food assistance of two kinds. Food for work and free food assistance and supplements for high risk people or towns, such as children under six years of age, schoolchildren, old persons, widows, pregnant women, and women who have recently given birth. Those people have no food to put in their mouths. The state is preparing an assistance program so that food will reach them free of charge. There is also a program of technical assistance for small-scale mines and cooperatives, aimed at raising production levels, reducing costs, improving the quality of mineral concentrates, improving the level of metal extraction, improving the terms of sale, trying to preserve the environment, etc.

Another aspect of this plan concerns providing social security coverage to those groups. There is still another, financial aspect to the plan, involving setting up a mining guarantee fund to guarantee loans to the mining sector and to cover the commercial risk of loans to this sector extended by financial and nonfinancial bodies. In this plan there is a section concerning the payment of taxes which, after looking at various tax situations, seeks to improve the condition of the small scale mining sector and cooperatives. This presidential decree is supplemented by a draft bill which we have sent to the National Congress on the subject of taxes. In this draft bill special treatment is provided for energy rates and railroad freight charges. There is also an aspect concerned with conditions. This Mining Emergency Plan is not the mining policy of the country. It is not the mining policy of the government of President Sanchez de Lozada. It is, as its name indicates, a temporary plan to resolve a temporary problem.

[Heredia] What will be the next steps to be taken by the government, in the sense of emergency action in the implementation of "Everyone's Plan"? Are there good prospects for the workers?

[Sanchez] I believe that this government has a program with a high social content. This offers the best prospects for the workers, because we are working on the basis set forth by President Sanchez de Lozada in his speech of 6 August, in which he said: "The economy must serve men and women and not statistics." To have men and women served by the economy, there have to be more jobs, there have to be better jobs, and the Bolivian people have to improve their living conditions. Unfortunately, that can be done only with money, and the money which we can bring into Bolivia or which we can try to bring into Bolivia must be found through the accumulation of capital. When we achieve this, the best way of administering our resources and making the country move forward is with the participation of everyone, with the participation of the people, decentralizing health and education and seeking to ensure that every Bolivian has the opportunity to participate in making decisions regarding his or her most immediate and most necessary services.

[Heredia] And when will the Plan for the Privatization of State Enterprises start to be implemented?

[Sanchez] It has already started. The legal provisions are practically ready. God willing, they are going to be presented to Congress next week. However, the Privatization Plan has already gotten under way, and the studies have been completed. This week Mr. Preston, president of the World Bank, has visited Bolivia. He has supported the Privatization Plan, he supports the economic policy of the country, and he has offered his support of this Privatization Plan by providing substantial financing for its implementation. Now what remains is to see the fruits of the Privatization Plan, and those fruits, unfortunately, will not be immediately apparent.

[Heredia] And what did Mr. Preston offer us? Can you give us an indication?

[Sanchez] I think that it would be better to wait for the results. One of the problems which we are having in this government is the great expectations of the people, great expectations which have come at a given moment, generating an understandable desire for immediate results. This has made time pass too quickly for the government of President Sanchez de Lozada. I believe that, beginning now, our policy will be a policy of results.

[Heredia] But is there not a direct means of communications with the working class to make this Privatization Plan better understood?

[Sanchez] The Privatization Plan is under way. As soon as we send the draft bill to Parliament, the people are going to know about it. They will know which companies are to be privatized: the YPFB [Bolivian Government Oil Deposits], the ENTEL [National Telecommunications Enterprise], the ENDE [National Electricity Enterprise], the LAB [Lloyd Bolivian Airlines], the ENFE [National Railway Enterprise], the ENAF [National Smelting Enterprise], and CORREOS [the postal service].

[Heredia] The president said that he was not going to sell the strategic enterprises of the country to foreign capital.

[Sanchez] Here you have to distinguish between what is privatization and what is a sale. The process of privatization is based on the fact that the state, in the first instance, and then the Bolivian people who receive those shares of stock which previously belonged to the state, will sell some of the shares to Bolivian or foreign investors. The product of this sale will be reinvested in the national economy so that these same enterprises will grow, be able to accumulate resources, and again become eligible for international loans. The Bolivian people are not losing their national wealth. In reality what is happening is the search for a partner who will invest his or her money so that these companies carry out a program of technological reconstruction under a better system of management and using productive processes whose only beneficiary is going to be the Bolivian people.

[Heredia] What do you think of the social crisis and the scandalous strike by members of Congress?

[Sanchez] I believe that the social crisis has been overemphasized. This week's social crisis is simply the strike by workers of the railroad company in Huanuni and, in part, in the Department of Oruro. The previous strikes at SENAC [National Highway Service], LAB, ENTEL, and ENDE have been resolved. What has happened is that the COB [Bolivian Labor Federation] has begun to follow a mechanical policy which is fundamentally rather bold, in the sense that the COB leaders have tried to strengthen their position. There is an undeniable relationship between the leadership of the COB and elements of the political opposition to the government, such as the ADN [Nationalist Democratic Action Party], the MIR [Movement of the Revolutionary Left], and the CONDEPA [Conscience of the Fatherland Party]. It is specifically that relationship which has generated the scandalous strike in the Chamber of Deputies. I wish to say to you that is an insult to the democratic system because, although we respect the right of deputies to express their ideas in the way which they consider most appropriate—thank God that this matter has been resolved—the National Parliament is the center of a great, national debate. It is not the center of the pressures, it is not the center of de facto attitudes, it is the center for the intelligent expression of political and social positioning in search of solutions. As a democrat, I hope that this will not happen again. The strike of the deputies is a fact which made people once again lose their faith in that very important institution. All of us Bolivians have an obligation to support it.

[Heredia] Minister, do you not fear that the crisis which has arisen in the country will affect the military establishment?

[Sanchez] I do not believe that the crisis which has arisen in the country will affect the military establishment. I wish to tell you that the crisis is not an all-embracing event. It is a crisis affecting a few people who have no jobs and who are being helped by the Relief Plan. That is, this is a kind of covert crisis. While respecting the institutions of the Armed Forces, as this government is doing, we have no fear of a subversive, military movement because, in addition, this is a movement which would be stillborn, given the feeling of democratic awareness which exists at this time throughout South America and the world.

[Heredia] You were one of the principal promoters of the war against corruption in Bolivia. How many more battles of this kind do you have to fight?

[Sanchez] In terms of the war against corruption, I believe that you do not have to look for people, you have to look for actions. What has been done in the fight against corruption and what is going to continue to be done is to try to root out of our culture the acceptance of corruption. The view that we have to be corrupt to survive is unacceptable. I mean to say that there is no sense in holding power if you do not fight against corruption, including corruption in all of its areas, in all of the branches of government, and in all of its forms. That is the task of all Bolivians. The government has taken the initiative because day by day there is a system for repressing those who fight against repression. It is for that reason that we are encouraging that fight and pressing forward with it. We are going to deal with as many cases of corruption as appear, with the law in our hands, respecting due legal process and the constitution of the nation, but being unyielding in terms of the need to preserve the democratic institutions of our country.

[Heredia] Have there been some results in the war against corruption?

[Sanchez] I believe that there have been some important results. One of those results is the awareness in the country of the need to fight against corruption. Another result is that the whole country accepts the fact that there is corruption in the judicial branch of the government. People inside and outside the judicial branch say so. Another result is that there is an absolutely legal mechanism in the Chamber of Deputies where this matter is being considered, with all of the constitutional guarantees in place. Another result is that persons affected by situations of corruption are now beginning to appear. They are beginning to defend their interests and to denounce cases of corruption. I believe that, with regard

to corruption, we must avoid excessive publicity until the moment when we have definite results. These are legal processes, they are processes of judgment, and now we will see who is guilty and who is innocent.

[Heredia] Mr. Minister, what is the situation in the executive branch of the government, to which you are assigned, when the Supreme Court of Justice, due to the corruption which exists in it, is in so miserable a position?

[Sanchez] Regarding corruption in the Supreme Court of Justice, we must clarify several points. The first is that not everyone is corrupt in the Supreme Court of Justice. There are people who stand accused of corruption and there are people whose fitness is not in doubt. In the second place the fight against corruption is not a fight against institutions. It is a matter of the responsibility of the individuals who have become involved in cases of corruption. We have absolute respect for the Supreme Court of Justice of Bolivia. This is not a matter of a collision between the executive and judicial branches and still less is it a matter of determining individual responsibilities. We in the executive branch, in accordance with Article 2 of the constitution, agree with the constitutional provision that we are subject to a review of constitutionality by the Supreme Court of Justice. It is precisely for that reason that we are interested in having a Supreme Court composed of suitable and proper people. Finally, I would like to say to you and to reject in a definitive way something which was said at the beginning of the fight against corruption, in the sense that this concerned the desire of the MNR [Nationalist Revolutionary Movement], or the government party, to gain control of the Supreme Court of Justice. We cannot do this, nor do we want to do this. Because in case the accusations are proved to be correct, two members of the Supreme Court of Justice—and that is one-sixth of the membership—will have to be dismissed from their positions. When they leave office, the new justices replacing them will have to follow the rule of decisions by a two-thirds majority. This is a rule of consensus and propriety which seeks to find the best public servants available for that function.

Brazil

Franco Answers Former Sao Paulo Governor's Criticism

PY2412134793 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 24 Dec 93

[Report by Alessandra Anselmo]

[Text] President Itamar Franco answered former Sao Paulo Governor Orestes Quercia's remarks by saying Quercia has no authority to ask the president to explain the use of funds. The president of the Republic added that presidency is not a notary's office or a police station to issue certificates.

On 23 December, President Itamar Franco refuted remarks made by Quercia during a news conference. Initially, the president had decided not to answer Quercia's last letter because the former governor had asked for a meeting on 5 January. In view of Quercia's news conference, however, President Franco decided to send the former governor a final letter reminding him that the presidency of the Republic is not a notary's office or a police station to issue certificates. In the letter, Franco also says that he will use his prerogative of choosing members of his cabinet until his last day in office. Franco thus answered Quercia's criticism of the cabinet reshuffle.

In Franco's opinion, Quercia has no authority to ask for explanations about the use of funds during the presidential electoral campaign in Minas Gerais State in 1989. Franco also asserts in the letter that he never received money for the campaign. Franco deemed inappropriate and indecent the former governor's insinuation that one of those responsible for the campaign, who now cooperates with the government, allegedly received money for the 1989 campaign. Franco also reminds the former governor that when he last visited the presidential office, Fernando Henrique Cardoso was not the finance minister. Franco then adds that this fact shows that the reason for the visit was not the finance minister's quote persecution unquote of the former governor.

Finally, the president says that through this letter—the third he has sent to the former governor—he hopes to end the argument with Orestes Quercia.

Search for Military Technology Examined

PY2312211293 Sao Paulo ISTOE in Portuguese 8 Dec 93 pp 96, 98

[Article by Jayme Brener and Helio Contreiras: "A Secret Weapon"]

[Text] Brazil's heart has never wandered from Uncle Sam to the Russian bear or the great Chinese panda. Successive Brazilian Governments always aligned themselves with the White House during the 50 years of the Cold War. Now things have changed and not siding with the United States does not necessarily mean being seduced by the song of the red siren.

Brazil is now seeking in the former communist Russia and in China (which swears it is still communist) the sensitive space and war technology that the United States always kept from us. Brazilian military men, diplomats, and scientists are enthusiastic over the possibility of obtaining the Russian and Chinese know-how the Brazilian space program lacks. Interest is especially high over the VLS (Satellite Launching Vehicle), a project of the Aerospace Technical Center in Sao Jose dos Campos, which has been semi-paralyzed for several years due to the lack of inertial platforms. In simple words, this is the mechanism that guides the rocket. This possibility strongly irritates the United States. After all,

satellite launchers, with a few modifications, can become ballistic missiles, capable of transporting nuclear and chemical weapons.

The United States is the leading promoter of the MCTR (Missile Control Technology Regime), a treaty that seeks to keep military rockets in the hands of those who already have them. Last week, Argentina became the 24th country to ratify the MCTR. Brazil has yet to do so. U.S. Government officials openly say that Brazil and the United States have not been so estranged since 1977 when the then President Ernesto Geisel [1974-79] denounced a military agreement with the United States.

All Brazil's attempts to buy inertial platforms from the U.S. Sperry company have been blocked by the White House. Officials from the Aeronautics Ministry even contend that the Space Activities Institute (IAE) sent an old platform to the United States in 1989 to have it repaired, but it has never been returned. Our country is just one step from aiming its rockets at the right place. A source from the Russian Defense Ministry, who chose to remain anonymous, told ISTOE in Moscow that guidance systems are included in the project to step up bilateral trade, which is currently being negotiated between Moscow and Brasilia. General Carlos Annibal Pacheco, the Army's science and technology secretary, said: "We have great expectations that negotiations with Russia will include the transfer of technology."

But perhaps the best possibilities are to be found in the PRC. During his state visit to Brazil last November, PRC President Jiang Zemin visited the National Institute of Space Research (INPE), in Sao Jose dos Campos. A protocol signed in 1988 contemplates a joint Sino-Brazilian program to launch two observation satellites. The first will possibly be launched in 1996. The agreement foresees launching the satellites with a Chinese Long March-4 rocket rather than a Brazilian VLS.

INPE Director Marcio Nogueira Barbosa has stated that the program did not foresee the transfer of guidance systems technology. One U.S. scientist commented: "And yet, it would be strange if that were not to take place in one way or another." The budget for the program amounts to $150 million, of which $45 million will be defrayed by Brazil. The Brazilian Government had released less than $7 million by 1992. "We have received $20 million so far this year," recalled Barbosa.

During his visit to Russia, Industry and Commerce Minister Jose Eduardo da Andrade Vieira visited the SS-19 rocket manufacturing plant on 3 December. This acronym indicates that it is a satellite launcher capable of also launching nuclear weapons. Andrade Vieira announced in Moscow the signing of a protocol of intent to increase bilateral trade between Brazil and Russia to $4 billion by 1998, increasing the current figures twentyfold. One item included in this protocol allegedly is a swap of Brazilian agriculture products—coffee, cocoa, and soybean—for Russian weapons. Army Minister Zenildo Zoroastro, who visited Russia not long ago, mentioned the possibility of buying light weapons, antiair and antitank missiles. This seems to be a good deal, so much so that the Army on the verge of forgetting about its own antitank missile, the MSS 1.2, which is part of a joint project with the Italian Otto Melara company, and which is almost ready for experimental development.

The Monteiro Aranha Group from Rio de Janeiro is interested in acting as intermediary in the swap of Brazilian food for Russian MI-26 helicopters, the final destination of which will be the Army. The company believes it is still possible for Embraer [Brazilian Aeronautics Company] to manufacture MiG-20 interceptor fighter planes. Consub, the Navy's submarine manufacturing plant, has sent two engineers to research Russian models. Russian Defense Ministry officials assert that Consub is very interested in a high-precision active sonar for its submarines. It goes without saying that Uncle Sam had refused to sell this device to Brazil. The superstar of that deal, however, may well be the SS-19 missile itself, which is first cousin to the PRC's Long March. If the much desired transfer of guidance technology happens, Brazilian officials assert that it will be made directly to the CTA [Aerospace Technical Center] rather than to private companies. One Army colonel noted: "We have had very bad experiences with military sector businessmen who received state-of-the-art technology but who are bankrupt."

Whether it is the SS-19, the Long March, or even the VLS, missiles are likely to trigger serious turbulence in Brazil's relations with the United States just like what happened before the Persian Gulf War (1991), when a group of Brazilian scientists headed by Brigadier Hugo Piva took VLS technology to Iraqi leader Saddam Husayn. There the VLS became a modified SCUD, which could carry chemical weapons, or even nuclear ones, in place of its satellite payload.

Piva, who after visiting Iraq went to Iran, works freelance [preceding word in English]. He works for his own company and participated in two rounds of negotiations in Beijing. During an interview with ISTOE in Sao Jose dos Campos, he was skeptical of the Chinese and the Russians opening their "black-boxes" of technology. He acknowledged that Brazilian cooperation with both countries "will be instrumental in making technological gains for Brazil so as to offset, for example, delays in the VLS program." Maybe it is a coincidence, but both Piva and Brigadier Sergio Ferolla, commander of the Higher War College and former director of the CTA, contend that the problems of the Brazilian rocket guidance system "have already been overcome." Piva said: "The problem lies in the lack of financial resources to manufacture the equipment."

The Americans do not like all these pleasantries. Marcio Barbosa from the INPE acknowledges there are difficulties in the purchase of certain components for the Brazilian satellite that are manufactured in the United States and Western Europe. "The Americans are sure to react to the

fact that Brazil decided to drop its policy of sticking to the U.S. market," noted Piva. The fact is that the United States has already bared its teeth over the missiles. Some months ago, Russia paid no heed to U.S. appeals and negotiated with India—a nuclear power—over the sale of technology to manufacture rocket components.

The animosity felt by the United States toward China is much more marked. The United States denounces China as being the biggest supplier of equipment and know-how for the nuclear program in fundamentalist Iran. It is believed the same Chinese inertial platforms to be included in the Brazilian space program played a decisive role for the DPRK in completing the development of its new rocket which can carry nuclear weapons a distance of 1,000 km.

The DPRK—headed by Kim Il-Song, a dictator and remnant of Stalinism—will not allow international inspection of his country's nuclear facilities in Youngbyon. The White House has been insistently pressing charges against Kim Il-Song's nuclear program over the last few weeks. The DPRK president responds by accusing Bill Clinton of ordering continuous invasions into his country's airspace. The U.S. secret services detected a trip by Piva to the DPRK. They are trying to discover whether he went there on his own account or was sent there by the Brazilian Government. Piva denies having made such a trip.

Times have really changed. During Jose Sarney's administration [1985-90], the White House managed to prevent Brazil from buying obsolete MiG-21 aircraft from the then USSR and the PRC. The United States also pressured former President Fernando Collor [1990-92] to desist from establishing an assembly line for Embraer planes in Iran. The White House is now watching Brazil embrace bears and pandas—with a choir of missiles in the background.

Private Computer Company To Enter Chinese Market

PY2312174493 Sao Paulo GAZETA MERCANTIL in Portuguese 17 Dec 93 p 11

[Article by Lilian Bem David; Chinese companies' names published in English]

[Text] Digitel S.A. Industria Eletronica of Porto Alegre and the China National Post Telecommunications early this month signed in China a letter of intent to create a "joint venture [preceding two words published in English]," said Digitel President Gilberto Machado. Machado explained: "The document will facilitate the Chinese company importing products during the bureaucratic process for approving the association, which must be studied by the government."

The opportunity Digitel has in the Chinese market for selling its high-technology products, which are similar to U.S. and European products at prices 30 to 50 percent lower than the leading international companies, led China National Post Telecommunications to seek the association. Digitel is the second-largest producer of data communications equipment in Brazil, according to the BALANCO ANUAL magazine.

The Chinese company wants to buy high-speed modems and multiplexors made by Digitel for which it already has received all the available information on the equipment. The Porto Alegre company's line of high-speed modems includes more than 20 models with prices ranging from $400 to $1,500 per unit. The line of multiplexors includes 15 models with prices from $1,500 to $8,000. Machado said: "The catalogs have been sent and we are now discussing prices." Machado said a package of samples will be purchased for testing in the Chinese market with the possibility of larger purchases from then on. Machado revealed: "The Chinese are not taking intermediate steps. They want advanced technology."

This company and other companies such as China Telecom, Strong High Tech and China Electric were interested in Digitel when Machado participated in a mission by 11 Brazilian businessmen to China from 19 November to 2 December. The mission was sponsored by the government through the Funding Authority for Studies and Projects (Finep) with the purpose of expanding exchange between the two countries in the areas of telecommunications and computer science.

Machado said the Chinese telecommunications program includes investments of $60 billion for the next five years and that Finep plans to appropriate $50 million in the medium term to finance this type of partnership that includes the transfer of technology. Machado said: "We are ready to be aggressive to enter this market." He added: The products can get to China at prices 15 to 20 percent lower than prices in Brazil because they have no taxes such as the ICMS [goods and services distribution tax] and the IPI [tax on manufactured products].

Digitel this year will export only 5 percent of its production, mainly to Latin American countries and the United States. The goal for 1994 is to increase exports to 15 percent of total production. The company will close this year with total sales of $20 million, which is 15 percent less than 1992 sales due to the changes caused by Law No. 8666 on telecommunication bidding regulations. Machado said: "Decisionmaking was delayed and the revival of sales will not start until the first quarter of next year."

Containers With Radioactive Waste Seized From Ship

PY2412122593 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 24 Dec 93

[Text] Experts from the Rio Grande do Sul, RS, State Foundation for Environmental Protection seized 32 containers with clandestine radioactive waste. The cargo was transferred to warehouse A5 in Rio Grande Port, which was designed to store dangerous material. On 27

December, the experts will test the contents with radiation-measuring equipment and investigate the rest of the cargo being carried by the ship Belatrix, where the containers were found.

Poll: More Than 50 Percent Disapprove of Franco

PY2412171293

[Editorial Report] Sao Paulo O ESTADO DE SAO PAULO in Portuguese on 19 December publishes on page A4 an unattributed 600-word article on the results of a Gallup poll conducted in November among 2,742 persons from 158 towns in 23 different states. The article reports that 52.6 percent of those surveyed believe President Itamar Franco administers the country badly or very badly, 13.8 percent approve of his administration, 29.5 percent think the administration is "not good or bad," and 4.1 percent did not know what to say.

The article says the first poll on the president's popularity was conducted by Gallup in November 1992 and at that time 31 percent of the people supported the president, while only 13 percent disapproved. The article adds that in another poll in February, after being installed, Franco's popularity reached its highest level: 36.1 percent of the people approved of him, while only 22.2 percent thought the opposite.

Correction to President Franco Designates Ministers

PY2412153693

The following correction pertains to the item headlined "Designates Five New Ministers," published in the 21 December Latin America DAILY REPORT, page 34: Colomn one, fourth paragraph, only sentence make read: ...Federal Administration Secretary Romildo Canhim will be concurrent minister of regional development, replacing Alexandre Costa. (correcting minister's surname and position)

Chile

President-Elect Announces New Cabinet

PY2412181893 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1700 GMT 24 Dec 93

[Excerpt] The suspense over the ministers who will work with Senator Eduardo Frei in the next government is over. Designations are still pending only at the ministries of agriculture and education, and at the National Commission of Energy. The announcement was made by Frei himself at his office on Hindenburg Street:

[Begin recording] Interior minister, German Correa;
Foreign affairs minister, Carlos Figueroa;
National defense minister, Edmundo Perez;
Minister of economy, development and reconstruction, Alvaro Garcia;
Finance minister, Eduardo Aninat;
Justice minister, Soledad Alvear;
Public works minister, Ricardo Lagos;
Minister of national resources, Adriana del Piano;
Labor and social security minister, Jorge Arrate;
Health minister, (Carlos Massad);
Mines minister, Benjamin Teplizky;
Housing and urban affairs minister, Edmundo Hermosilla;
Transportation and telecommunications minister, Narciso Irureta;
Minister secretary general of government, Victor Manuel Rebolledo;
Minister secretary general of the presidency, Genaro Arriagada;
Planning and cooperation minister, Luis Maira;
Minister vice president of CORFO [Development Corporation], Felipe Sandoval;
Minister director of the national women's secretariat, Josefina Bilbao.

I also have made two additional designations: Coordinator of relations between the presidency and Congress [encargado especial de relaciones entre la presidencia y el parlamento], Mario Papi; and CODELCO [Copper Corporation] executive president, (Juan Villarzu). [end recording] [passage omitted]

Air Force Receives Fighter Jets Upgraded by Israel

PY2412171093 Santiago EL MERCURIO in Spanish 16 Dec 93 p C5

[Excerpts] The Chilean Air Force [FACh] commander in chief, General Ramon Vega Hidalgo, on 15 December noted the major technological progress the FACh has achieved by updating its Northrop F-5E "Tiger III" fighter bombers in Israel. Gen. Vega received the first two units at National Aeronautical Enterprise (Enaer) facilities.

The U.S.-made F-5E fighter bombers, which were purchased in 1976, began undergoing a modernization process at the Israeli Aeronautical Industry (IAI) in 1988. This process ended in mid-1993 with improvements in the jets' avionics and full replacement of the jets' electronic attack and navigation equipment.

The ceremony during which the first two fully operational planes were delivered was presided over by Defense Minister Patricio Rojas, and was attended by Aviation Under Secretary Jorge Heine; the IAI representative in Chile, Meir Dvir; Enaer's executive director, retired Aviation General Caupolican Boisset; and other officials.

Gen. Vega explained that the process was slow because it involved sophisticated technology. "We had to train a large number of engineers and technicians for the various new systems in order to successfully undertake this project," he said. Vega said the great challenge was met

and a large number of personnel were trained to operate, maintain, and design these types of systems. [passage omitted]

The program provides for updating all the FACh's F-5E planes, which, according to the last issue of the "MILITARY BALANCE" magazine, are 16, three of them two-seaters. The program also will allow Enaer to negotiate with other countries for the modernization of their respective fleets of Tiger II's. It has been leaked that in the next few days a contract will be signed by Enaer and the air force of a friendly nation in the region. In South America, Brazil is the only country that has F-5E jets. It bought 48 jets at the beginning of the 1970's.

Among the systems incorporated into the F-5E's is a novel Doppler-type radar that can track and discriminate air targets under any atmospheric conditions. The jets also were fitted with a "heads- up" [preceding word in English] type screen that allows the pilot to see in his cockpit glass the tactical situation, the targets his radar is tracking, and a rudimentary map of the area he is overflying.

The Tiger III's also have a warning system to detect whether they are being tracked by an enemy radar, new ejection seats, computer checking systems, and a ground attack radar. As for their combat capacity, the planes were fitted with new missile pods, increasing the number of Sidewinders or Phyton-3's from two to four.

Gen Ballerino Tenders Resignation to Pinochet

PY2412024393 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 24 Dec 93

[Text] Major General Jorge Ballerino will definitely leave the Army. Today he personally conveyed his decision to Army Commander General Augusto Pinochet.

Returning to Santiago yesterday, Gen. Ballerino declined to talk about his situation in the Army, but said resolutely that dignity and values lie above everything else. He explained that everything would be explained after a meeting with Gen. Pinochet.

[Begin recording] [Unidentified reporter] Can we suppose that a definite decision will be made at that meeting concerning your future in the Army, General?

[Ballerino] I believe so. I know that the decisions have already been made and the meeting will only confirm what has been decided.

[Reporter] Do you feel healthy enough to assume any post?

[Ballerino] Any post whatsoever. Because if I were not fit to be inspector general of the Army, chief of staff, commander of a garrison, or any other post assigned to me, I would have retired a long time ago. [end recording]

The meeting with Gen. Pinochet was held this morning and lasted 40 minutes. Ballerino reported on his full recovery after two months of medical treatment in the United States.

Ballerino also reiterated his resignation from the Army. It is appropriate to recall that instead of being promoted to deputy commander of the Army, General Jorge Lucar has been reconfirmed in that post. Ballerino added that consequently, because of his seniority, he should have assumed the post of chief of staff. General Richard Quaas will, however, assume that post. Quaas is an officer with less seniority. For this reason, Gen. Ballerino declined to continue as inspector general of the Army, ratifying his decision to tender his resignation.

There was no official report from the Army on the meeting.

Students Demonstrate on 10th Anniversary of Rodriguez Front

PY2412142793 Santiago EL MERCURIO in Spanish 15 Dec 93 pp C1, C10

[Excerpts] Small groups of demonstrators on 14 December took over the streets around the university campus in Macul to observe the 10th anniversary of the Manuel Rodriguez Front by throwing rocks and firebombs at Carabineros in charge of public order.

The incidents began at about 1300 when covered-up, unidentified individuals came out of the schools of philosophy, social sciences, and art at the University of Chile and the nearby Metropolitan University to set up fire barricades and obstacles to traffic and pedestrians. [passage omitted]

The Oriente Prefecture of Carabineros reported that six people were arrested during the incidents. One was a woman who was accused of throwing a firebomb against a taxi, but whose identity was not disclosed.

The students' demonstration was related to the 10th anniversary of the Manuel Rodriguez Front and was led by Communist leaders of the Allendist Leftist Democratic Movement, MIDA. [passage omitted]

Menem Congratulates President-Elect Frei

PY2412142993 Santiago EL MERCURIO in Spanish 17 Dec 93 p C5

[Text] Argentine President Carlos Menem on 16 December sent a letter to Eduardo Frei Ruiz-Tagle on the occasion of the latter being elected president of Chile. In the letter, Menem said he is convinced that he will be able to continue to work with the new president and his government, to promote the tight bilateral relations even further. The following is the message Menem addressed to the Christian Democratic Party senator:

"Dear President-elect:

"On my own behalf and on behalf of the Argentine people I convey to you my most sincere congratulations on the occasion of your election as president of the Republic of Chile in the recent electoral contest.

"The participation of the various sectors in the electoral process and the constitutional continuity represented by your proclamation have confirmed the vitality of Chilean democracy, which upholds values that are shared by the international community.

"I am convinced that the consolidation of the institutions and the state of law are the essential premises to strengthen even further the close friendship ties between our two nations. I take advantage of this opportunity to greet you with my highest regard.

"Carlos Saul Menem, president of the Argentine Republic."

Colombia

New Democratic Force Ministers To Resign

PA2712043193 Santa Fe de Bogota EL TIEMPO in Spanish 24 Dec 93 p 6A

[Text] Presidential hopeful Andres Pastrana Arango yesterday confirmed that two ministers who represent his political movement in the government will resign. He also said he will let President Cesar Gaviria decide whether the political agreement, which allowed the New Democratic Force [NFD] to participate in the government, will remain in effect.

Pastrana explained that a somewhat long meeting with the president on Tuesday provided an opportunity to assess the specific results of the agreement. It was not, however, to decide whether or not to terminate the agreement.

He said it was logical to remove Luis Alberto Moreno, economic development minister, and Luis Fernando Ramirez, labor and social security minister, from their posts because an intense electoral debate is about to begin. This gives the president the freedom to decide whether or not it is appropriate for the NFD to take part.

When reporters asked whether it would be unfair to the NFD's opponents if the NFD were permitted some degree of participation in the government from which it might benefit, Pastrana said no. He said it would be unfair to unilaterally decide to pull out and launch an opposition campaign against the government in a bid to get an advantage in the election campaign. If the agreement had not existed, it would also be dishonest to try to look good before the president now, at the last minute, for the purpose of scoring an advantage in the elections.

Pastrana was present for the signing of the new social security bill yesterday. When asked to give his opinion on the doubles team of Gaviria and Ernesto Samper, he smiled and said: "Interesting, although the president and I have been a good team from the beginning."

Search Bloc Members To Receive Bonus

PA2612031793 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 25 Dec 93

[From the "NTC Newscast"]

[Text] Each member of the Search Bloc for Pablo Escobar will receive 30 million pesos. Each officer, soldier, investigating official, or member of the Attorney General's Office or Prosecutor General's Office will receive the fabulous bonus, thanks to a decree issued by the Colombian president and defense minister. Carolina Sanchez has the report.

[Begin Sanchez recording] Each member of the Public Force, the Administrative Department of Security, the Prosecutor General's Office, and the Attorney General's Office who the Defense Ministry considers having carried out successful high-risk operations to reestablish public order will receive a special 30 million peso bonus. The award was made official by the president, through Executive Decree No. 2496 which was issued by the Finance and Public Credit Ministry and signed on 14 December. The last successful high-risk operation to reestablish public order was the one staged by the Search Bloc for Pablo Escobar. Apparently many of these 600 men benefited from the fabulous sum offered by the Defense Ministry. The decree was signed by Finance Minister Hector Jose Cadena Clavijo and by acting Defense Minister General Ramon Emilio Gil Bermudez. [end recording]

Defense Ministry Begins Disarmament Plan

PA2612124193 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 25 Dec 93

[From the "NTC Newscast"]

[Text] Firearms permits are no longer effective. The Defense Ministry's plan seeks to achieve the disarmament of civilians. Operations are under way in Pereira. Luis Fernando Gil has the report.

[Begin recording] [Gil] The disarmament plan ordered by the Defense Ministry throughout the country began in Pereira. The Risaralda Police Command staged a series of lighting operations at the entrance of Pereira, in parks, and streets, so that no person who was armed could evade the checks.

[Pereira Police Commander Colonel Libardo Diaz] We are trying to ensure the security of citizens. One method is to conduct a check of firearms and confirm the authenticity of the gun permits.

[Gil] Many persons were carrying their permits, which will not be valid, at least not during the year-end disarmament plan. In Pereira 65 percent of the adult population is armed. There is an average of 15 persons killed weekly, not including the remaining municipalities of Risaralda. During the operation that lasted one

hour, firearms of all calibers and makes were confiscated. Many of the persons were not carrying permits. The weapons will be turned over to the 8th Brigade. The municipalities of Risaralda will not escape this decision by the police, because violence is general and today, more than ever, the Defense Ministry wants to eradicate it no matter what. [end recording]

Authorities Disband 'Strongest' Heroin Ring

PA2412005293 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 23 Dec 93

[From the "24 Hour" newscast]

[Text] The DEA and Interpol worked abroad, while the Administrative Department of Security [DAS] worked in Colombia to dismantle the strongest heroin trafficking ring ever, which shipped the drug to Mexico, the United States, and Europe. The organization's leaders were based in Armenia, Barranquilla, and Medellin. The DAS arrested 14 people today [22 December], including German citizen (Hannel Hagen).

[Begin DAS Director Fernando Britto recording] We arrested the individuals who could be considered the ring's most important members in Medellin and Armenia. In addition, we arrested one individual who we believe was a key member. He was in charge of physically preparing the drug couriers [mulas]. [end recording]

Britto added that the heroin trafficking gang worked independently, for which no connection can be made with the traditional drug trafficking cartels. The authorities also froze bank accounts and seized vehicles and weapons. The couriers the ring used to transport the heroin were foreign citizens. On the international market 1 kg of heroin can cost $250,000, or approximately 200 million pesos.

Court Embargoes Use of Radio Frequencies

PA2412005093 Santa Fe de Bogota EL TIEMPO in Spanish 18 Dec 93 p 2B

[Text] A court order has left the purchase of seven radio stations by Caracol Radio Network several months ago hanging in mid air. The judge of the 16th Civil Circuit Court of Bogota authorized an embargo against the use of the stations' frequencies.

Judge Israel Bosiga Higuera authorized the embargo of these radio concessions after learning that the sale to Caracol violated a previous sale agreement between the current owners and Radio Cadena Nacional (RCN). The court ordered the Communications Ministry to abstain from authorizing the transfer of these radio frequencies to Caracol until the justice system issues a final ruling.

Hence, another chapter in the war between the [Carlos] Ardila Lulle organization, which owns RCN, and Santo Domingo Group, owners of Caracol. The two large national conglomerates heated up the skirmishes between them when Ardila Lulle decided to try its hand at brewing beer, which is the Santo Domingo Group's main industry. The announcement prompted Santo Domingo to increase the pressure on its rival by reinforcing its share of the soft drink market, with its Pony Malta drink.

The battle is further kindled by the repeated encounters between the two radio networks over ratings. According to some experts, the bidding for the seven radio stations is directly related to the beer battle. This is explained by the fact that five of the stations are located in Boyaca, a department considered to be strategically important to the beer industry and quite close to where Ardila Lulle is building a brewery. The residents of Boyaca are the country's largest beer consumers, chugging more than 300 liters per inhabitant per year.

In other words, having the media under control in that department could prove to be very convenient in promoting a new brand of beer or blocking off the competitor's ad campaign.

The Story

The problem over the stations began when the Colombian Radio Corporation (Coral) [Corporacion Radial Colombiana], who owned the seven stations, signed an agreement with RCN on 15 June, by which (Coral) transferred the frequencies and the ownership of the stations. The sales agreement included the following stations in Boyaca: Radio Tunja; Radio Boyaca; Radio Duitama; Radio Vencedores; Radio Unica Stereo, which broadcasts from Tibasosa; and Radio Juventud and Radio Festival, located in Bogota and Ibague, respectively.

EL TIEMPO learned that Coral representative Mrs. Gloria Matilde Cuellar de Espinosa, upon signing the agreement, released the seven stations to RCN for 1.3 billion pesos. Later, the owners of Coral reached an agreement with Caracol, who apparently offered 1 billion pesos more than the RCN agreement for the stations. This was a 77 percent increase over the original offer. RCN filed suit against the owners of Coral and demanded fulfillment of the agreement, after Coral ignored their original commitment.

The 16th Civil Circuit Court of Bogota admitted the charges and decided to embargo the use of the stations' frequencies in dispute until the justice system can issue its final ruling.

EL TIEMPO tried to contact Bavaria Brewery President Augusto Lopez Valencia, who is the main spokesman for the Santo Domingo Group, to hear his side of the story, but was unsuccessful.

* Gaviria, SAC Differ on Agricultural Outlook

* Agricultural Congress Held

94SM0132A Santa Fe de Bogota EL ESPECTADOR in Spanish 26 Nov 93 pp 1, 3B

[Article by Myriam Astrid Montoya]

[Excerpt] Cali—Yesterday, as if they were speaking of two different sectors and quite remote countries, the government and the farmers presented a totally different portrait of the national situation and agriculture in particular.

According to the president of the SAC [Association of Colombian Farmers], Cesar de Hart Vengoechea, growth figures can be shown, but the profitability crisis continues; inflation has been controlled at the expense of agriculture; there is gradual erosion of the citizens' tranquility; and "as things now stand, we are not doing well."

According to the president of Colombia, Cesar Gaviria Trujillo, agriculture is reviving; the argument about inflation is untrue; the government is working hard to defeat the purveyors of violence; and "we are on the right track."

The only point of similarity between these two men is apparently their first name: Cesar.

These opposing positions were presented yesterday during the opening session of the 27th National Agrarian Congress.

The farmers said Colombia needs government action combining different strategies, including the peace policy, programs promoting the welfare of rural areas, and an anti-inflation program.

On the first point, the SAC took a hardline position: it rejected any possibility of regional dialogues, called for passage of the Public Order Law, proposed strengthening the Armed Forces, and supported the government's decision to exert its legitimate authority to restore order and the rule of law.

"The country cannot continue its naive approach of believing that the leaders of subversion, who years ago traded in their ideology for lucrative businesses, are going to negotiate and end up driving taxis or setting up respectable small businesses," he emphasized, noting in addition the need to take away personnel from the guerrillas, most of whom are in rural areas.

The SAC president explained that the growing gap in the quality of life between rural and urban areas is the source of a vicious circle that feeds subversion, ordinary crime, urban insecurity, and promotes the cultivation of illegal crops.

He said the nation is turning its back on this situation by ignoring rural unemployment; he reported that subversion not only levies taxes in rural areas, but it also controls a large number of municipal administrations.

He warned that even with great military efficiency, the nation will come no closer to achieving its objective until this emphasis has been changed.

Consequently, he called for immediate and forceful actions to reactivate the agricultural sector, so it will not be left with just an announcement of measures concerning the Agricultural Credit Bank, crop insurance, and in general, the application of instruments about which the government has taken no unified stance.

He also insisted that production increases like those the government has announced do not mean that the agrarian crisis has been resolved, since beyond the numbers there persists the crisis in farm profits.

On the final difficulty, inflation, De Hart said the government's strategy to reduce inflation is "fragile and makeshift, and is not sustainable."

He explained that the anti-inflation program has essentially been based on the backs of agriculture. To prove this assertion, he cited a series of comparisons showing that the cost of living has been intimately linked to the decline in farm prices and massive imports.

On the Right Track

The chief of state's viewpoint was totally different. According to Gaviria, this year agriculture will grow by 3 percent, including coffee, and over 4.5 percent if coffee is excluded. In his view this shows that the worst of the crisis is over, and that the agricultural sector is settling down.

Agricultural imports, he said, showed growth of only 0.4 percent as of June 1993, as a consequence of protections created for this sector. Public investment in rural areas will increase 80.4 percent in real terms between 1991 and 1994.

On inflation, he emphasized that it is not true that control of inflation has been achieved at the expense of agriculture, since meats, vegetables, and fruits, the items with the greatest impact on the decline in food prices, were not affected by the policy to control the cost of living.

On the issue of public safety, the chief executive agreed that "in reality, the Guerrilla Coordinating Council is a group that coordinates kidnappings and extortions of the farmers, cattlemen, and merchants of Colombia."

Still, he takes a more optimistic view of the control the government has achieved.

According to government statistics, rural crime is showing a tendency to decline by 20 percent a year, the 2.6 kidnappings per day are down 44 percent from two years ago, and the military forces are clearly better trained for anti-insurgent combat. [passage omitted]

* SAC: Government Denying Reality

94SM0132B Santa Fe de Bogota EL ESPECTADOR in Spanish 27 Nov 93 pp 1, 3B

[Article by Myriam Astrid Montoya]

[Text] Cali—Yesterday the SAC [Association of Colombian Farmers] responded vehemently to the rosy picture

of rural activity that President Cesar Gaviria presented on Tuesday in his speech to agricultural producers.

According to the association, the chief executive demonstrated that the problem lies in the mindset of the government and its advisers, which reduces the nation's conflicts to a purely economic plane, ignoring the serious social implications of these problems.

Proof of this, said SAC President Cesar de Hart Vengoechea, is the recent statement by the finance minister that he supports increasing the budget for security because violence is bad for the economy. "That should not be the only argument; this is a social problem."

The same thing happens with agriculture, he indicated. This sector's difficulties cannot be circumscribed to only a numerical figure, as they impact on the welfare and tranquility not only of rural areas, but of the entire nation. He pointed out that subversion customarily draws its urban raw materials from rural areas.

"It is not true that agriculture is reviving, as the president says; on the contrary, it is being stained red with the bloodshed of violence," said De Hart.

In refuting each of the positive arguments that Gaviria presented during the 27th National Agrarian Congress, the SAC maintained that the government is denying reality.

In the first place, the organization countered the president's assertion that this has not been the worst crisis experienced by agriculture, as in other years there have been greater production declines. The SAC insisted that what the government officials do not understand is that this crisis does not result from lower production, but instead from declining profits, causing the area planted in seasonal crops to decline by 400,000 hectares in the past two years.

On the announcement of the growth in agriculture expected this year, the association's argument was the same: the problem is not a matter of numbers but of earnings.

The SAC insisted that while it is true that production this year will show growth, this is not due to business decisions to invest and plant more, which would mean that the crisis has been resolved, but rather to the fact that climate conditions have been more favorable and so yields per hectare are higher.

On the issue of inflation, the head of state, in speaking to the national agrarian group, denied that inflation is being controlled at the expense of agricultural products. He argued that the items whose prices have declined the most were meats and vegetables, which are not imported and have not been affected by the policy designed to dampen cost of living increases.

The SAC called this a simplistic point of view, as it does not take consumption substitution into account; this means that consumers tend to alter their buying habits based upon the behavior of prices.

In other words, the fact that importable goods are not the ones whose prices have declined the most does not mean that they have not had a significant impact on the decline of prices paid by consumers.

"If it is not farm prices on which the decline in inflation has been based, then let them explain to me just what it has been, since government services have increased 14 percent above the IPC [Consumer Price Index], and businessmen have followed this indicator's trend, and have even managed to stay below it," reiterated De Hart.

He again showed the graphs based upon DANE [National Administrative Department of Statistics] inflation data, which reveal that the IPC curves have followed the same pattern as farm product prices this year.

Finally, he spoke of Gaviria's announcement that food imports in 1993 grew only by 0.4 percent. "What that shows is that they continue to hold the same level as in 1992, when import figures doubled from 1991."

The president of the SAC board of directors, Jens Mesa Dishington, said in closing the conference yesterday that this government's record in agricultural policy has not been successful, for in the end it will leave the agricultural sector worse off then when it came into office, although he did say that trade liberalization has forced producers to evaluate their work.

* Agricultural Law Discussed

94SM0132C Santa Fe de Bogota EL TIEMPO in Spanish 26 Nov 93 p 2B

[Text] Leaders of agricultural and livestock groups have endorsed the agricultural development law, which this Wednesday was about to be passed in Congress. Their satisfaction was evident and they all agreed that now political determination is needed to make this law meaningful.

The president of the SAC [Association of Colombian Farmers], Cesar de Hart, warned the agricultural and livestock sector: "This is not going to resolve the crisis. Political determination is needed for that. This is a working tool for the government, which can be used however the government wants to use it."

The SAC president said resources are needed, as the agricultural law is an administrative instrument.

Moreover, during the congress a statement from Asobancaria [Association of Banking and Financial Institutions of Colombia] was released, which was addressed to the sponsor of the agricultural law, German Huerta Combariza, rejecting the section on credit concerning interest rates for agricultural loans.

The law says these rates should always be lower than ordinary credit rates. In its statement to Congress, Asobancaria says that is not constitutionally acceptable.

Asobancaria opposes the restructuring of some agricultural debts that have matured. According to Asobancaria, this law demands that a subsidy be provided by financial institutions.

Ecuador

Executive-Legislative Dispute Threatening Democracy

PA2312200693 Paris AFP in Spanish 1748 GMT 23 Dec 93

[Text] Quito, 23 Dec (AFP)—Reporters in Quito warned today that the growing bitter dispute between the government of rightist President Sixto Duran-Ballen and the National Congress headed by liberal Samuel Belletini could lead to a coup d'etat in Ecuador in the near future. "The government and Congress are playing with fire," an editorial in the newspaper EL COMERCIO stated. Reporter Andres Carrion of the "Today Newscast" [Noti-Hoy] said that "hurricane strength winds are blowing at the government palace," and he invited the two sides to hold "a sincere, peaceful, and constructive dialogue."

In a radio commentary, journalist Ana Maldonado observed that Ecuador "is experiencing very difficult times" and stressed that the idea is gaining strength among the public that the Armed Forces will have to intervene to stop a situation that is harming the country's development.

Although Jose Vicente Maldonado, secretary general of public administration (presidency minister), said there is no "dispute between the government branches," today the Ecuadoran newspapers said just the opposite, and radio reporters observed that "the situation is very grave. The government and Congress have become involved in a dangerous fight over the controversial bill to reform the law on the domestic tax system, which was urgently sent to Congress," the newspaper EL COMERCIO said, indicating that "the country is tired of fights and pettifoggery."

The Quito newspaper HOY said the fight has "broken out in all its intensity." The Guayaquil newspaper EL TELEGRAFO stressed that the confrontation is growing worse as the two sides "maintain their positions on the actions by Congress."

Nevertheless, the Duran-Ballen administration today appeared with a majority of a little over 40 deputies (out of the 77 who make up Congress), with which it could achieve passage of the tax reform bill and the definitive approval of a modernization law.

The Government-Congress confrontation has deteriorated since August, when Belletini was elected Congress president. Since then, Belletini has directly opposed the Duran-Ballen administration to the point that this week he ignored the Executive Branch's call for special Congressional sessions to obtain the approval of a package of emergency economic measures.

Duran-Ballen, a 72-year-old architect, has indicated he will resort to the Court of Constitutional Guarantees to get Congress to approve the tax system law with which he plans to face the sudden drop in petroleum prices to less than $10 a barrel. The president sent a letter to Belletini on Wednesday accusing him of acting against the law.

Duran-Ballen also said he is ready to promulgate on 30 December the tax reforms that include a 10 to 18 percent readjustment of the value-added tax and warned that he will disregard all actions by Congress that are not in line with the law and Constitution.

Local analysts have indicated that if the reforms go into effect by presidential decree, Congress could repeal them, in which case the dispute would worsen and Ecuadoreans would find themselves once again on the verge of a military intervention in the democratic process.

A citizen consulted by AFP on the street said today that "only a coup d'etat fixes this country." Ecuador experienced the last attack on democracy more than 10 years ago.

Military Officers Pledge To Respect Democracy

PA2312201193 Paris AFP in Spanish 1809 GMT 23 Dec 93

[Text] Quito, 23 Dec (AFP)—On Thursday, Ecuadoran military officers said that despite the serious social, political, and economic crisis in Ecuador, they are willing to respect democracy and do everything possible to avoid a coup d'etat. "A legitimate [as received] social, political, and economic transformation would lead us to a chaos that would cut off all international aid and lead to war inside the country," Defense Minister General Jose Gallardo Roman, retired, told AFP.

Gen. Gallardo Roman ruled out a de facto action after newspapers in Quito and journalists at various radio stations made a call to rightist President Sixto Duran-Ballen and National Congress President Samuel Belletini, a liberal, to set aside their bitter quarrel.

"Democratic stability in Ecuador is not in danger," the military officer said, after stating that the government and Congress must reach an agreement because, according to him, "the president is a man with very firm democratic ideas, and there is a group of very patriotic men in Congress."

Gallardo Roman also pointed out that "the military forces cannot become even remotely involved in actions against the Constitution and the laws."

The same minister—in statements to a Quito radio station—said "military officers are aware that Ecuadoran social, political, and economic development demands that democratic order be maintained." The

minister also rejected the idea that the Armed Forces could mediate in the government-Congress dispute.

The conflict between the Executive and Legislative Branches began last August when liberal Samuel Belletini was elected Congress president and initiated a systematic opposition to the president's work to the point that this week he disregarded a call made by Duran-Ballen for a special Congress session.

The Congress was asked to approve a tax reform law that could help the government collect money to face an abrupt drop in oil prices to less than $10 per barrel, a situation that has created an unexpected and rising fiscal deficit in Ecuador.

Duran-Ballen has warned that if the Congress does not approve the measures, which include a value-added tax increase between 10 and 18 percent, and adopt other norms to reduce income tax evasion, he will decree the new law on 30 December.

The defense minister, after reviewing the Ecuadoran situation, said "the Ecuadoran state has its own legal mechanisms to solve all its problems. The Armed Forces will do everything possible to maintain control over internal security," Gen. Gallardo Roman said. "We are going to do everything possible to prevent this from happening," the defense minister said in reference to the possibility of a coup d'etat.

Colombian Rebels' Attack Said Aimed at DEA Agents

PA2412215393 Hamburg DPA in Spanish 1704 GMT 24 Dec 93

[Text] Quito, 24 December (DPA)—The 17 December ambush executed by Colombian guerrillas against an Ecuadoran military patrol, which left 11 soldiers killed, 12 wounded, and two missing, was aimed at DEA agents. "We were mistaken for DEA agents," said one of the two Ecuadoran soldiers who were captured after the ambush by the "32d column of the Revolutionary Armed Forces of Colombia (FARC)" and were released hours later, "when they realized it was a mistake."

The kidnappers, approximately 30 guerrillas between the ages of 14 and 20, reportedly said they were mistaken because "this area is where the DEA mostly operates," in reference to the Amazon jungle stretch of the Ecuadoran-Colombian border.

At the Putumayo River, seven Ecuadoran military launches were ambushed by approximately 200 FARC guerrillas who fled into the dense jungle where they are being pursued on both sides of the border.

Press reports on the alleged capture of at least three Colombian guerrillas has not yet been confirmed by the Ecuadoran Army, although Defense Minister General Jose Gallardo said on 22 December that "we are following the tracks" of members of the FARC's "32d Column."

The account of soldier Segundo Chamba reportedly confirmed reports that FARC guerrillas and drug-trafficking rings linked to the two largest Colombian cartels are operating jointly in southern Colombia.

The guerrillas who captured the two Ecuadoran soldiers did not explain the reasons why they tried to aim their attack against the DEA, whose agents are reportedly solely involved in fighting drug trafficking and are not participating in antisubversive operations.

The day after the attack, Ecuador intensified security along its border to prevent new guerrilla incursions while the Army elite forces started to pursue the attackers.

Several Parties Reject Tax Reform Package

PA2312231793 Quito Voz de los Andes in Spanish 2300 GMT 20 Dec 93

[From "The Voz Andes Newscast"]

[Text] The Popular Democratic Party [PDP] has said that the measures taken because of the crisis induced by the oil price drop is nefarious for the country. The PDP faction, made up of Carlos Vallejos, Ramiro Rivera, and Ruben Velez, has addressed a letter to the president of the Republic criticizing him for enacting a tax law that, they say, hurts the country's middle- and low-income people. Vallejo says that sending this proposal to the Congress during the Christmas season was calculated to have it approved by the Ministry of Law.

[Begin Vallejo recording] A special congress session was convened three or four days prior to Christmas. To do these things during the year-end holidays is to persist in the bad habit that he learned when he worked for the previous government. Apparently, defects cannot be eliminated from the lives of men. By calling such a session, the president is evidently seeking to have it approved by the Ministry of Law. This means, Ecuadoreans, to rule as dictator without declaring himself dictator. [end recording]

Vallejos says the Christmas holidays divert the people's attention and they do not realize that the approved legislation is nefarious for the country.

The Central Federation of Ecuadoran Class Organizations, CEDOC, has flatly rejected the changes that the government intends to enforce with the tax reform proposal sent to Congress. This proposal affects all the Ecuadoran people directly, Ramiro Rosales said. He added that this proposal reduces the Ecuadoran people's purchasing power, a fact that will be reflected in the enterprises' reduced production, which brings about the elimination of jobs, a vicious circle that in turn causes economic recession. Rosales said that CEDOC has proposed to articulate an economic and social policy to reorganize in depth the bases of the economy and social relations. We neither want a state dictatorship nor a

market dictatorship; we want a participative democracy and solidarity between the wealthy and those who are not, he said.

The Popular Democratic movement will demand the cancellation of the special Congress session. The session called by the president of the Republic to discuss the tax reform proposal will be a failure because there is no consensus among the legislative factions, they say.

[Begin unidentified person recording] It would be much better if the Congress decides to cancel this session to discuss the tax reform proposal. Tax reforms can wait. No sector is desperate enough to have such reforms urgently approved. If we wish to amend the Constitution, we should do it seriously and not thinking about a particular political sector. [end recording]

Paraguay

President Wasmosy's Christmas Message

PY2512013093 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 0055 GMT 25 Dec 93

[Christmas address by President Juan Carlos Wasmosy from Asuncion; date not given—live or recorded]

[Text] My dear fellow countrymen! This holiday of peace and love, the living center of our dearest traditions, calls on all Paraguayans to share, in the intimacy of our family surroundings and in the warmth of our homes, our best and most legitimate hopes. Tonight is also a good occasion to ponder together the destiny of our fatherland, our difficulties, our challenges, and our plans.

As president of the Republic I feel I am doubly responsible for the future of all Paraguayans. This concern is shared by all my immediate assistants in the Executive Branch.

We can define the year that is just ending as the stage marking the consolidation of the transition process toward a state of law. We have gone through free elections that gave us a new government and with it the beginning of an active stage of institutional adjustments. I must sincerely say that it was a period marked by misunderstandings, useless confrontations, and arbitrary prejudices.

We must admit, however, that even when the debate was harshest, the most important actors of this social and political process were able to maintain a healthy level of maturity, mutual respect, and dialogue. In sum, democracy was strengthened. The people have received proofs that their government is the incorruptible guarantor of their essential rights and freedoms.

But there is much to do ahead of us. And in that task, which I believe will be decisive, I do not want to be alone. I need the support of all my fellow countrymen to be sure of success. That support must go beyond the passions of groups, the disagreement of special interest groups, or social differences. The nation is everyone's business, and we are all responsible for its future.

I repeat, the new Paraguay is everyone's business. This is the intimate belief which, as the president of all Paraguayans, I want to vehemently stress tonight.

I have spoken about sincerity. This sincerity forces me to put aside easy circumstantial words to present a truthful picture of what is ahead of us. I propose that during 1994 we leave aside the unsubstantiated debates and concentrate on facts. I have prepared a group of bills that I think are essential to opening a wide path toward progress and collective well-being.

Among our projects I would like to point our the following: the creation of industrial free trade zones; the reform of the banking law; a tax reform adjustment; an insurance bill; the "leasing" bill, which will allow for the better and quicker capitalization of companies; a new law for financing the industrial fund; a new reforestation law; a new law aimed at strengthening companies so that they may are able to sell their shares in the stock market; a new investors code; and the oil exploration bill, among others.

We have already sent to Congress the draft bill establishing new regulations for Central Bank operations, which is the keystone for reforming the financial sector; and still pending is the new law on privatizations, which will mark the beginning of the state reform process.

I hope Congress will be flexible, in studying and approving these projects in the shortest possible time. If this is done the state will get smaller and the government will have the opportunity, which has been denied it so far, to show its capacity to transform the Paraguayan economy and accelerate the state reform process, which can no longer be postponed.

We will set utility rates on more realistic terms in 1994. There will be no more subsidies. We will end the lie of having inexpensive public services for a minority of privileged people whose costs are actually paid by the peasants and urban workers, people who paradoxically still do not have these services. We will also work toward the streamlining of public enterprises. We will cut back on unnecessary expenditures. We will improve the efficiency and social scope of these services.

The national budget will be instrumental in this policy. We want the national budget to be a true expression of our country. We do not want the national budget to be a machine creating delusions, encouraging demagoguery, and promoting inflation, which is the worst enemy of the people's well-being.

Everyone knows that it is not possible to spend more than there is available. This overwhelmingly simple truth in budgetary matters has still not been understood in our country. With everyone's help, we will have this truth become a governmental practice. We will therefore

successfully defend the stability of our currency and, through it, the well-being of the poorest sectors.

Salaries will be adjusted to reach the level of our fellow countrymen's basic needs, especially taking into consideration those with lower incomes. Nevertheless we want to make it clear that, in this field, we are interested in increasing incomes in real terms, and not merely increasing numbers which, no matter how impressive they may be, are not consistent with the urgent—and sometimes distressing—needs of our daily life.

In the social field, the starting point is to create jobs. Within this framework we have plans to create 40,000 jobs. The reforestation program will be responsible for 5,000 of these jobs.

We expect our export lines, especially in the agricultural field, to fare well. The next harvest will yield $1 billion, which will feed the financial system. Making a conservative projection for next year, this allows us to predict that our national economy will grow 4 percent.

With these indicators, in addition to the committed public and private investments, we will have the basis with which to resolutely engage the social field, which is experiencing acute and regrettable needs.

If we do not fulfill these needs we will not be complying with our most honorable duty: to give our poorest fellow countrymen the possibility of gaining access to a standard of living consistent with what is universally understood as human dignity.

These are the thoughts that I want to share with all Paraguayans on this peaceful night. I hope this will also be a hopeful night. The year 1994 will be better. And, if all of us enter into a commitment to work for our country, it will be the historic year for the great leap forward. These are my wishes for this hopeful Christmas eve.

My wife Teresa and my children, Diego, Alvaro, Edgardo, Estela, and Bruno, join me in sending with great affection, to each and every one of the homes in our fatherland's territory, our best wishes for happiness this Christmas evening—a time when we approach the majesty of the humblest crib of all times to ask for peace in our beloved fatherland, Paraguay, peace in our families, and peace in our hearts. Thank you very much. Merry Christmas!

Finance Minister Grants Interview

PY2412012593 Asuncion ULTIMA HORA in Spanish 20 Dec 93 p 24

[Text] Finance Minister Crispiniano Sandoval has ruled out the possibility that the implementation of the national budget approved for 1994 could increase inflation. He denied that the Executive Branch could veto the Budget Law approved in Congress, and voiced his concern over the fact that most collected revenues will be earmarked for common expenditures, and very little for investment.

[ULTIMA HORA] Could the Executive Branch veto the budget approved by Congress?

[Sandoval] I have not heard that the Executive Branch could veto the budget. The Finance Ministry has recommended, and even warned, that a budget over that estimated in our technical financial studies would appear with a deficit, obviously. But as we have the commitment to maintain the macroeconomic balance to support private investment and the development of our productive base, the Finance Ministry is prepared to spend what it collects. So the ministries and institutions which have an inflated budget must have patience until they receive all the resources assigned to them by Congress.

This worries us because those increases have a strong component of common expenditures. It means that all revenues we have collected will be spent on salaries, retirements, etc. On the contrary, the Finance Ministry's intention is to expand the public investment area, which is much needed in our country.

Congress has eliminated a fund of 40 billion guaranies which was earmarked to support private investment for industries through a bank agency to meet the demand for medium- and long-term credits. That has been eliminated by Congress and has been earmarked for other expenditures, which unfortunately continues to postpone investment.

[ULTIMA HORA] Is it true that with this budget we will next year have a 25 percent inflation rate?

[Sandoval] Not necessarily. We do not want to say that. If the Finance Ministry is going to spend what it collects, there will be no inflation, at least in the area of public expenditure. We had warned and we understand that Congress has perceived this clearly, that we cannot pay for things when we do not have the money to pay for them. We do not want to resort to financing, which will mean printing money. We are going to keep expenditures within what has been programmed. The Finance Ministry has a commitment to collect more in a period which generally coincides with the lowest tax revenues period, which is January and February, because of the drop in economic activity.

According to Sandoval, inflation occurs more because of the increase in the dollar exchange rate and because of the increase in demand than because of expectations. He said that the increase in public utility rates will have very little impact on the increase in the cost of living, and public services must be increased so that organizations such Antelco [National Telecommunications Administration], ANDE [National Electric Power Administration], and Corposana [Water and Sanitation Corporation] may continue investing.

[ULTIMA HORA] Are they studying a salary adjustment?

[Sandoval] We have not had time to discuss the salary issue yet. The economic team is discussing almost twice

a week several subjects that have to do with the structural reform of the productive area: new lines of credit. It is also studying the way to face demands to finance the upcoming harvests.

[ULTIMA HORA] Over the past few months the salary adjustments have been below the deterioration in real salaries. Does the government foresee a salary adjustment that will compensate for the increase in utility rates?

[Sandoval] Services do not have a very great impact on the cost of living, on the income of wage earners.

[ULTIMA HORA] But does it have an impact on the projected inflation?

[Sandoval] You talk a lot about the projected inflation. In fact there is inflation because there is an increase in demand over supply. Prices have been increasing as a result of a reality in the movement of the exchange rate. The exchange rate is increasing, and not by projection. The cause of the recent increase in the inflation rate has been measured to approximately 2 percent. This is justifiable, and does not necessarily comply with a projection but with an adjustment in the exchange rate.

[ULTIMA HORA] They do not always depend on the exchange rate because there are local prices on which the dollar has no effect.

[Sandoval] Local prices are quickly adjusted to import prices. There is no product with an autonomous market or price. Because we import many products comparable with what we produce, and which are basic staples, there are not two prices for a single product. There is a single price for the same product and the price is ruled by the cost of the imported product. Thus you will see that if the import price increases because of the increase in the exchange rate, immediately the local products such as milk, chicken, etc. also experience an increase. There is a correlation in prices and it is not true that the exchange rate is indifferent to the prices of local products.

[ULTIMA HORA] The impact of an increase in public utility rates is minimal on the basic cost of living, but businessmen adjust prices, including the percentage of increase in electricity rate. That must be taken into consideration as well.

[Sandoval] That cannot be compared. Let us suppose that salaries go up 10 percent, which for 300,000 guaranies means 30,000. But a 40 percent increase in the water supply service is only 1,200 guaranies. Today the basic water rate is 1,870 guaranies monthly, and this amount is only the price of half a kilogram of meat. If the water rate is increased by 100 percent, it would go to 3,600 guaranies.

[ULTIMA HORA] But all products have their prices increased.

[Sandoval] We are talking about basic rates. We must measure the increase rate of products that generate an increase in utility rates.

Much is said about projected inflation. But that depends much on the demand. Prices cannot be increased if demand is not being increased because otherwise the prices will not go up.

But there are external impacts that cannot be controlled, as the increase in the exchange rate, which necessarily makes prices go up, independently of whether or not there is greater demand. And because that has a disseminated effect on internal prices, we have prices that really increase by a variation of factors which are out of governmental control, such as the exchange rate.

Antelco [National Telecommunications Administration] and ANDE [National Electric Power Administration] have been asked to continue studying the social tariffs so that price adjustments will be lower for those social sectors. We asked them to change the adjustment method they were preparing so that the impact will be less for those with lower incomes. The economic team intends to establish a lower utility rate increase for those with low incomes. For this reason it has not yet been possible to establish the percentage of the increase.

[ULTIMA HORA] There are rumors of a 12.5 percent, 16 percent, and 30 percent average increase for ANDE.

[Sandoval] Exactly. Perhaps the variations in the tariff adjustments will be along those lines, according to the thorough studies that are being made on the costs of services and investment programs established both by ANDE and Antelco.

In the case of Antelco, it has very strong investment programs to provide some 23,000 telephone lines more next year. It also plans investments for the installation of a new satellite station. It has investment plans for submarine cable connections, so that in the future we will have a more secure communications system with all continents.

Antelco also has a foreign debt to cover. Some of these debts have been accrued due to the delay in the tariff adjustment since 1990, when the last Antelco adjustment was made.

[ULTIMA HORA] Is there a possible fuel price increase, because Petropar [Paraguayan Petroleum, Inc.] is worried over the continuous increase in the dollar rate?

[Sandoval] Petropar says that, but we have not yet begun studying the fuel issue to see whether an increase is justified. We will see later if an increase is appropriate. For the time being we want to complete the studies on the tariffs charged by Corposana [Water and Sanitation Corporation], Antelco, and ANDE.

Concerning agriculture, we have good news for next year. There are very concrete indicators of a 90 percent increase in cotton production, which would be record production, with favorable prices as well.

Soybean production estimates talk about a 25 percent increase, with a possible price increase as well. For the

first time, between 50,000 and 60,000 tonnes of sunflower seeds will be harvested, at a very good price, which will be fully purchased by a local oil company.

The corn harvest is also expected to increase, by 30 percent, and Brazilian companies are ready to purchase this. There are other areas expected to increase production.

'Confusion' Plagues Governability Pact

PY2412153893 Asuncion NOTICIAS in Spanish 24 Dec 93 pp 12, 13

[Text] There is widespread confusion among the members of the governability pact interparty board because some of parties, like the PRF [Febrerista Revolutionary Party] and the PDC [Christian Democratic Party], are waiting for the Authentic Radical Liberal Party [PLRA] and the National Republican Association [ANR-Colorado Party] to call another meeting, while the ANR does not seem inclined to continue the talks.

The PLRA is prepared to continue talking but is not prepared to "freeze" further democratic development. PLRA representatives explained that they will not lend their support to any antidemocratic proposal that could hurt the interests of the people.

PLRA leader Domingo Laino emphasized that it is natural for an interparty board to discuss issues of national interest, but made it clear that this does not mean the PLRA will support bills that benefit only the ANR, as some people like [ANR President] Blas N. Riquelme expect it to do.

Laino commented on the current political situation, stressing that certain negative traits from the defunct Stroessner regime still prevail under President Wasmosy's current administration. Laino went as far as to say that the current administration does not display any political will to change things.

PRF leaders feel that the opposition has lost quite a bit of ground by accepting to maintain a dialogue with the ANR in order to reach agreements on certain issues because it is well-known that the ANR never fulfills its electoral promises or agreements with leaders of other parties. The PDC led by Miguel Angel Montaner has chosen a more cautious approach to the governability pact and prefers to wait for the resumption of negotiations. The PDC believes negotiations will be resumed, although they acknowledge that the future of the talks looks bleak. The latest meeting of the pact was scheduled to take place at PRF headquarters but has been suspended twice and the word is that the ANR has asked that the meeting be suspended.

'Practically Headless' Colorado Party Examined

PY2612021093 Asuncion ULTIMA HORA in Spanish 11 Dec 93 p 22

[Commentary by Cesar Omar Ferreira: "The ANR Has Lost its Identity as a Party"]

[Text] The National Republican Association (ANR) [Colorado Party] has yet to show that it continues to be a "civilian and agrarian" party. While civilians suffer the oppression of groups who flaunt all the power, and peasants go on a pilgrimage in search of the promised land, the party's main political leaders spend sleepless nights trying to find solutions to the "problems" confronting the military as a result of their loss of political affiliation and the Armed Forces reorganization.

It is intolerable for a political party such as the ANR to display such an attitude and totally neglect the entire human conglomerate that constitutes its real support base as an organization. It should not surprise anyone, however, to see the ANR leadership performing as such. It is known that they reached their present positions thanks to the patronage of certain military chiefs, who usually assume messianic positions and consider themselves the saviors of the fatherland at a time when neighboring countries violate our national sovereignty with impunity.

We should not be surprised by these attitudes. It hurts nationalist feelings, not only of Colorado Party followers but of all citizens who feel the country in their souls, to see a group of unscrupulous individuals take leadership of a party that should be struggling to achieve the common good, not only for their followers, but also for the population as a whole, considering that it is the ruling party.

This is, however, what concerns the present ANR leadership the least. They forget to participate in the organization of government and the administration of social conflicts, helping to resolve them. In sum, ANR leaders are lost in their personal ambitions. They do not have an identity, nor do they identify themselves with the ANR's founding principles. They launch their irresponsible and untimely electoral campaigns, protect individuals who violate the democratic system, and get involved in infighting that increasingly weakens the political organization, pushing its followers to other camps.

All these facts clearly show that in the past few years the Colorado Party leadership has lost control of the ship's rudder. The party was liberated from former President Alfredo Stroessner's oppressive grip by the 1989 coup, but to this point it has been unable to adapt to reality.

The backward mentality of ANR leaders has slowed down the party's adaptation to the demands of the democratizing process. It has also prevented leaders with democratic attitudes from taking over control of this century-old political association. All this has resulted in a practically headless ANR, incapable of any effective participation in government so as to push for the implementation of the "civilian and agrarian" programs capable of driving the country toward development and democratic stability.

Transferred Antidrug Officers Reinstated

PY2412154193 Asuncion NOTICIAS in Spanish 24 Dec 93 p 6

[Text] It would seem that after totally dismantling the National Antidrug Secretariat (Senad) the national Executive Branch had to backpedal and issue General Order No. 138 reinstating four officers, who had served previously at Senad.

The reinstated officers are Major Eduardo Britez Reyes, Captain Roberto Riveros Yegros, First Lieutenant Luis Carlos Lugo Ferreira, and Lieutenants Bienvenido Silva and Juan Antonio Pineiro Kanazawa.

Paraguayan President Juan Carlos Wasmosy, as Armed Forces commander in chief, and Colonel Abilio Gimenez, as Wasmosy's aide de camp, signed the general order.

The officers, transferred to different Armed Forces services through General Order No. 133, have been reinstated at Senad due to their drug enforcement experience.

It is not known yet who the new Senad executive secretary will be. Some of the candidates are Horacio Galeano Perrone [former minister of integration and education], Eduardo Rodriguez [alternate senator for the Colorado Party], and to a lesser extent General Marcial Samaniego. President Wasmosy will name the new Senad executive secretary next week because current Senad Executive Secretary Mario Rodolfo Escobar Anzoategui has tendered an irrevocable resignation on the grounds that all his best men have been transferred.

Peru

State of Emergency Extended in Huancabamba

PA2312193693 Lima Radio Programas del Peru Network in Spanish 1800 GMT 23 Dec 93

[From the "Newspaper of the Airwaves" newscast]

[Text] According to an executive decree published in the official gazette, the Defense Ministry extended the state of emergency for another 60 days in the Huancabamba Province, Piura Department. Consequently, all constitutional rights to individual freedom, the inviolability of domiciles, and peaceful assembly are suspended.

The Armed Forces will guarantee order and reinforce countersubversive efforts until terrorism is eradicated entirely from those locations.

Minister Urges Extending Andean Pact Exclusion

PY2312195293 Lima EL PERUANO in Spanish 3 Dec 93 p A3

[Excerpt] Economy and Finance Minister Jorge Camet Dickmann proposed on 2 December to extend for one more year Peru's temporary exclusion from the Andean Pact trade integration mechanisms.

The minister said he hopes that during this period the other countries that signed the Cartagena Accord would "join the current trend of international economics, and leave subsidies aside."

According to the conciliatory formula accepted more than one year ago by the other partners of the Cartagena Accord, Peru suspended until 31 December 1993 its participation in adopting decisions related to establishing a common external tariff, improving the free trade zone, and granting trade preferences to third countries.

Camet Dickmann said that this decision has allowed Peru to increase trade with all Andean countries and sign several bilateral agreements. He added that as a result, Peru has profited and also defended itself against subsidies established by other Andean Group member countries' economies. [passage omitted]

Law Establishes Line of Presidential Replacement

PA2412195193 Lima Radio Programas del Peru Network in Spanish 1800 GMT 24 Dec 93

[Text] Effective tomorrow through 28 July 1995, the National Congress president will assume the presidency in the event of the absence or temporary inability of President Alberto Fujimori, according to a constitutional law published in the official gazette. The law supersedes the Constitutional Law of 11 January 1993 establishing who could replace the president.

The first article specifies that the first vice president of Congress can also assume the functions of president in case of the absence or temporary inability of the president.

This constitutional law is being published prior to the promulgation of the 1993 Political Constitution, which is scheduled for 29 December in a city in the countryside.

Congress Approves Bill on Registry of Criminals

PA2412000793 Lima Radio Programas del Peru Network in Spanish 1800 GMT 20 Dec 93

[From the "Global TV News" newscast]

[Excerpt] The Democratic Constituent Congress has approved unanimously the draft bill that creates the national registry of detainments, prosecutions, and incarcerations. Public order representatives and any individual or corporation will have access to the data bank on detainments, prosecutions, and incarcerations. [passage omitted]

Arrest of Army General Ordered in La Cantuta Case

PA2512045393 Madrid EFE in Spanish 2020 GMT 23 Dec 93

[Text] Lima, 23 Dec (EFE)—The Supreme Council of Military Justice (CSJM) has ordered the arrest of General Juan Rivero, chief of the Army Information Service, who is charged with involvement in the death of nine students and a professor, the Lima newspaper EL COMERCIO reported today, Thursday.

The paper, which cites "reliable sources," also said that the military council ordered the arrest of Rodolfo Velarde, an Army lieutenant, increasing to 13 the number of military charged with the crime.

It is unknown if the arrests have been made or if the accused are still free, because the council is conducting the process secretly.

The other officers involved are Colonel Federico Navarro; Lieutenant Colonel Manuel Guzman; Mayors Santiago Martin and Eliseo Pichilingue; Lieutenant Aquilino Portella; and noncommissioned officers Eduardo Sosa, Juan Supo, Juan Sosa, Julio Chuqui, Nelson Carbajal, and Hugo Coral. They are accused of having kidnapped and killed nine students and a professor of La Cantuta University in Lima on 11 July 1992, when the university was under military control. The case is in the hands of the CSJM, but the Prosecutor's Office has asked that it be turned over to civil courts, because the crimes committed are common: kidnapping and homicide.

The conflict of jurisdiction will be resolved this week by the Supreme Court, which will decide which of the two will handle the case. This was announced by Luis Serpa Segura, Supreme Court president.

Car Bomb Explosion Reported in Eastern Lima

PA2612130993 Mexico City NOTIMEX in Spanish 0509 GMT 26 Dec 93

[Text] Lima, 25 Dec (NOTIMEX)—A car bomb explosion, which occurred this evening in front of La Polvora Military Barracks, located 3 km from the presidential palace in eastern Lima, injured six people, Peruvian police reported today.

The explosion, which was part of a series of dynamite attacks that occurred on the eve of Chinese leader Mao Ze Dong's centennial—which the rebel group the Shining Path threatened to celebrate by executing a series of violent actions—destroyed three houses and injured five members of a family and a passerby.

Security forces have reported that a man and a woman, presumably involved in the attack, were arrested in the vicinity.

Report Claims Government Tolerates Rights Abuses

PA2512023593 Paris AFP in Spanish 0935 GMT 23 Dec 93

[Text] Lima, 23 Dec (AFP)—A special report by the Human Rights Commission (Comisedh) released Thursday in Lima states that in Peru "a situation of serious human rights violations persists with the toleration of the government of President Alberto Fujimori regarding such abuses."

Up until November there were 80 cases of missing individuals, which increased to 556 the number of individuals listed as missing since the beginning of the current government in July 1990, the document states.

In making an annual evaluation, the commission says that this year there have been 14 cases of extrajudicial executions and that more than 100 innocent individuals have been taken to court for alleged terrorist crimes.

The commission states that "the government institutions were weak in the face of military pressures and that the attempt to cover up La Cantuta crimes affected them."

This case, "the most important one of the year which has deeply marked Fujimori's government," deals with the disappearance last July of nine students and a university professor, during a military operation in La Cantuta University, east of Lima.

Last week a Lima judge initiated legal proceedings against 10 Army members charged with the disappearance and homicide of the 10 missing individuals, whose remains were found this year in clandestine cemeteries in remote regions of the outskirts of Lima.

"In this case, the truth was brought to light with difficulty, within a situation of hostility that precluded clarification of the facts," according to the commission. Comisedh notes that had it not been for the role of the independent press which discovered the graves, the crimes would have gone unpunished "as hundreds of other cases."

The report states that the existence of human rights violations and attitudes regarding the investigation and punishment of the guilty "makes us conclude that there is a clear situation of tolerance by the government regarding the abuses."

Comisedh notes that 1993 marked the beginning of the "decline of Fujimori's government," above all after the results of the 31 October referendum in which Peruvians approved a new Constitution, but in which the "no" vote got a high percentage of votes, 47 percent. The commission considered this as "the hardest blow" for the Peruvian Government.

"President Fujimori does not appear to be as strong as before, and the large popular sectors that supported him are getting tired. As certain businessmen would say, another person is needed now," the report states.

Article Examines Changes in New Constitution

PY2312204093 Lima CARETAS in Spanish 9 Dec 93 pp 33, 37

[Article by Luis Pasara]

[Excerpt] Besides the presidential reelection and the death penalty, which are controversial and circumstantial innovations, how important are the changes introduced into the new Constitution?

In the economic field, the Constitution is markedly ultraliberal, giving preference to "free initiative, commerce, and industry" (Article 59), granting foreign and national investments equal treatment (Articles 63 and 71), and restricting the state's role to orienting and developing (Article 58). Only through a special law can the state be authorized to undertake entrepreneurial activities.

In accordance with this economic model, the Constitution cuts into labor rights such as job stability and the retroactivity of the law when it benefits workers (Articles 27 and 103). These and the above changes give Alberto Fujimori's economic policies during his three years in government constitutional rank, even though in reality they were already established by different legal mechanisms.

In the political field, the Constitution significantly strengthens presidential and executive branch powers, in general terms as opposed to Congress. These changes also consolidate Alberto Fujimori's governmental style, concentrating on the Executive Branch, and particularly on the person of the president, a great decisionmaking power.

One of the most important changes resulting from the process of concentrating the central government's powers—with respect to the 1979 Constitution—is the liquidation of the regionalization process that started in 1980. This program, which had a difficult and problematic implementation, was cleanly cut out by the 1993 Constitution, which abolishes the existing regions and leaves their theoretical creation to the initiative of departments or provinces which want to unite with their neighbors and express that willingness through a referendum (Article 190).

Another old trick: The regions' structure and attributions will be established by a future law (Article 198). Meanwhile, the Executive Branch "determines the jurisdiction" of some transitory councils, which will probably last indefinitely (Thirteenth Disposition). A notorious step backwards: The next elections will be held based on the single district principle, a formula that will prevent the provinces from electing their own representatives directly.

The fact that the new Constitution prevents ordinary justices from trying soldiers for the crime of function [crime committed while on duty] is an expression of the importance of military institutions in Fujimori government's support base (Article 173). This disposition reveals the purpose of guaranteeing the impunity of military men accused of human right violations by keeping the investigation and trial under military jurisdiction. Only on two occasions did the military punish any of its members during the 12 years that the Armed Forces have being fighting subversion.

Two new institutions are the referendum and the possibility of cutting a mandate short. The first is established as necessary for amending the Constitution (Article 206) and creating regions (Article 190). The power to cut a mandate short is only applicable to mayors and regional presidents, not to legislators.

Many of these changes have not been thoroughly discussed because the Constituent Congress debate was really poor. In the midst of a strong political struggle—which was reflected in the referendum result—the Constitution had enough strength to become a national project.

In government circles "the constitutional mirage" represented the passage of the country to modernity and the massive arrival of foreign investments, which depended on the approval of the official proposal. With equal emphasis the opposition sustained that the proposal meant the installation of a savage capitalism and the establishment of an authoritarian regime.

These claims are not obvious in the 1993 Constitution. Neither can the Constitution guarantee them, of course. Probably intentionally, those proposing the debate overestimated the possible and effective social impact of the Constitution within an excessively politicized discussion, the purpose of which was to support or reject Alberto Fujimori's government. As a result there was a certain lack of care at the time of writing the text of the Constitution, which shows diverse and numerous defects and errors. [passage omitted]

Uruguay

President Sustains Rib Injuries in Car Accident

PA2512024493 Paris AFP in Spanish 0215 GMT 25 Dec 93

[Text] Montevideo, 24 Dec (AFP)—Uruguayan President Luis Alberto Lacalle sustained rib injuries during a car accident 200 km north of Montevideo the evening of 24 December, government sources told AFP.

Lacalle, who was on a Christmas vacation, was heading for his rural home in Cerro Colorado accompanied by his driver and bodyguard when his car skidded and overturned. The other passengers sustained slight bruises.

The Uruguayan president was treated at an area public hospital where he was X-rayed and diagnosed as having sustained rib injuries that will force him to rest for a few days.

The accident ruined his plans because he was forced to return to his presidential residence in Montevideo where he will receive adequate medical supervision.

President Views Local, Regional Issues

PY2312214493 Montevideo EL OBSERVADOR ECONOMICO in Spanish 9 Dec 93 p 6

[Text] President Luis Alberto Lacalle yesterday announced that the new list of documents for the privatization of PLUNA [Uruguayan National Airlines] will be ready on 15 December, and that a new call will be made to parties interested in forming a partnership with the airline. "A new call will be made, and modifications will be introduced into the documents, to change the factors that seemed to be obstructing the sale," the president said.

In an interview granted to journalist Neber Araujo on the "New Times" radio program, Lacalle yesterday said that his opinion in deciding on the candidate for the Herreraist sector for 1994 will be "very important, and even decisive," noting that he has no "preestablished" candidate. He did not rule out the possibility that "another candidate who is not being considered" might emerge.

He emphasized that he will maintain the current economic policy to the end of his term "with the tacit support of all those who have not set in motion mechanisms for changing it." He maintained that through the Herrarist candidate "the economic policy has good chances of obtaining a large number of votes" in the 1994 elections.

Referring to his political sector, he said that "the movement was created in a cumulative manner, through consensus between people who joined earlier and later, it was done by avalanche, and the public knows that in the elections we turned out to be many more than everybody expected. I feel that I am the one mainly responsible for this work. That is why I feel I have the right to have more influence than many other fellow party members in the decision" on the Herreraist presidential candidate.

Designation of the Candidate

Lacalle said the decision on the subject "should be made after the end of the year, in 1994. The decision will be made by a convention of 385 fellow party members."

Concerning rumors that Senator Juan Andres Ramirez is his favorite candidate, Lacalle said "my favorite candidate is Luis Alberto Lacalle, but he cannot run." The president said his name will not appear on party tickets in the elections of 1994, noting that "I have other things that I would like to do."

The president denied that he has a preestablished candidate, noting that "each of our fellow party members has his own virtues and abilities, each one has a very important task; another candidate might show up who is not being considered. What we want is that the National Party and its majority sector, which is the sector of which I am a member, makes a proposal."

He added that "we are working at the Manuel Oribe Institute. Groups were organized today (yesterday), and we will analyze the achievements of the current government and prepare the guidelines for a proposal for the future, and with this in mind we will elect the person who will wave that banner, based on his abilities."

The president ruled out the possibility that the line of action followed by this government might be continued by Julio Sanguinetti or Tabare Vazquez, in case one of them wins the election. "If they were and still are sincere, neither of them will continue with this because in crucial issues like the social security reform we have not yet found in those sectors a consensus, either on the need for the reform or on the methods for implementation."

He added that "if we consider state-run enterprises, (...) the people voted against the incorporation of private capital into those enterprises. Not only did people vote, but they claimed that the project was equivalent to selling the family jewels or bringing on the pirates, in an emphatic campaign against this type of measure."

He added that "I doubt that anybody, except perhaps by jumping through hoops, which would need a lot of explaining, could say that I disagreed before but now will do it. I do not know how it can be explained that they did not do this before or support this when it was initially proposed."

Lacalle maintained that "I am confident that the National Party will be able to sponsor a candidate who will not simply copy what we did, but will continue and complete a work that—all of us are aware of it—is incomplete, to a considerable extent because there was no reply to the call to concentrate work on those national issues."

Continue Work That Has Been Started

Lacalle said he is confident that the people will support the Herreraist candidate "to continue the work that has been started, to complete it and conclude it. I believe that in this work it will be very difficult to find an area in which there was no success."

He maintained that "the country is in good economic health and this can be confirmed by any person who watches our country's economic developments."

Lacalle said that no new social security bill will be submitted before the end of the year because "if we submit one we will be doing it at the end of the congressional period of sessions. After the end of the year we will surely complete the articles and submit it to Congress."

The president said that Mercosur [Common Market of the South] "has a barrier to overcome," which is the Common External Tariff (AEC). He said that "substantial progress has been made" in the integration process,

and that "there has been fantastic growth in regional trade, and the mutual tariffs that the four partners have to adopt continue to drop." He said that "Brazil and Argentina are confronting each other over the AEC."

Lacalle said he was unaware of concrete Brazilian proposals to set in motion Mercosur in the year 2001. "I do know that Brazil wants a high AEC because Brazil wants its trucks, its machinery, and its lathes protected against the possibility of their being bought from Germany or Spain."

The president maintained that "other countries, like Uruguay, prefer as low a common tariff as possible because this makes capital goods competitive." He added that at the presidential meeting on 17 January "we will have to agree on the subject, and I am sure it will have to be reached on the basis of concessions of various types." He said the AEC can have "flexibility from the viewpoint of time; another solution could be to begin with two different tariffs and end the process with one single tariff; another solution could be to compile a list of products to which the AEC would not apply. It is very common and reasonable to adopt a gradual solution."

He said that "Mercosur has had two effects: It has reduced tariffs among the partners, and it has caused a mental, psychologial effect, operating like a shock, a shakeup."

Poll: 56 Percent Disapprove of President's Performance

PY2412142293

[Editorial Report] Montevideo BUSQUEDA in Spanish on 9 December carries on page 3 a 350-word unattributed report on a poll "the presidency ordered from a local company in October." According to the report, 18 percent of those surveyed approve of President Luis Alberto Lacalle's performance, while 56 percent disapprove.

Concerning possible National Party presidential candidates, the report says that "through the poll, the presidency tried to measure the degrees of political popularity or unpopularity" of National Party leaders.

According to the report, the poll shows that the political popularity of Juan Andres Ramirez, Alvaro Ramos, Gonzalo Aguirre, and Alberto Volonte stands at 22, 13, 20, and 23 percent, respectively, while their unpopularity ranks at 58, 36, 57, and 31 percent, respectively.

Poll: 32 Percent Support Colorado Party

PY2312162893

[Editorial Report] Montevideo LA MANANA in Spanish on 11 December publishes on page 3 an unattributed 240-word article on the results of a poll conducted by the Gallup Company on Uruguayan voters' preferences. The article reports that "countrywide, 32 percent of the people support the Colorado Party; 23 percent, the National Party; 19 percent, the Broad Front; and 3 percent, the New Sector Party." The article adds that in both Montevideo and the country's interior, "22 percent of the people still have not decided for whom they will vote."

Venezuela

President Velasquez Speech on Nation's Problems

PA2412012793

[Editorial Report] Caracas Venezolana de Television Network in Spanish at 2140 GMT on 23 December broadcasts live a 13-minute speech by President Ramon Velasquez during a ceremony held in his honor by Caracas municipal and local authorities, as well as other government officials, at the Bolivar Plaza in Caracas.

President Velasquez, after greeting everyone present, says: "I have been saying all along that on 2 February—in addition to the initiation of a new constitutional period, the eighth—we are witnessing the initiation of a new Venezuelan era. Profound modifications in political, social, and economic policies of the nation are present in the modification of the traditional political and social scenarios."

Velasquez remarks that there is greater participation by the people in the government, translated through decentralization. Each region, he notes, elects its governors; the mayorships have now gained a greater administrative role. Velasquez goes on to say: "In addition, the most outstanding event of these times is the communities' participation. Nowadays, no problem can be resolved without this participation, in any of the ruling sectors, be they national, regional, or municipal." Velasquez notes that democracy has changed, from a mere electoral event, to a way of life. Velasquez remarks that the progress made in the change of Venezuelan society has created a demand for structural constitutional changes and for changes in the nation's laws.

Velasquez says: "When I became president I thought that the peaceful solution to this crisis would be the holding of elections because at that time the nation's new sectors would be incorporated." Velasquez notes that there is a new Venezuelan political scenario; this was the results of the 5 December elections. Velasquez comments that the nation, faced with serious economic, social, fiscal, and political problems must reach "a national consensus with the participation of all the sectors that today lead the nation." This, Velasquez noted, does not mean dividing up the ministries and embassies, rather, it means that fundamental agreements must be reached, on economic and social matters. These are indispensable and are the only way to stabilize the democratic system, he remarked.

To conclude Velasquez says: "If this adjustment is not made, if this agreement among the nation's sectors is not reached, if the need to halt the social upheaval is not

taken into account, the foundations of democracy are in danger, no matter how many go to the polls."

Rules Out Talks With Colombian Rebels

PA2412035793 Madrid EFE in Spanish 2216 GMT 23 Dec 93

[Text] Caracas, 23 Dec (EFE)—Venezuelan President Ramon Velasquez said today that his government will not negotiate with Colombian guerrillas, adding that any agreement to stem border violence will be through the Colombian Government. "The government cannot even think about negotiating with Colombian guerrillas on kidnapings and vehicles thefts, which have intensified lately in the Colombian border areas, because the only interlocutor one state has is another state," Velasquez said.

According to the press, the president's statements were tied to assertions made by Omar Beralt, president of the Presidential Commission on Border Affair, wherein he suggested negotiating with Colombian guerrillas to diminish the level of criminal activity in areas adjacent to Colombia.

Velasquez said he had no information on such a proposal and added he would regret very much having to confirm that Beralt really said this.

The president said that significant steps have been taken over the past few days to "efficiently face the scourge of kidnapers, common criminals, guerrillas, drug traffickers, and the invasion of illegal aliens—not just Colombians—who create difficulties in the border environs."

The Venezuelan president also referred to other aspects of Colombian-Venezuelan relations and praised the advances in integration achieved by both countries. "The Colombian-Venezuelan border integration agreement has allowed trade, which was only $300 million three years ago, to reach $1.5 billion," he said.

Foreign Minister Remarks on EC Preference Policies

PA2312235193 Caracas Venezolana de Television Network in Spanish 2350 GMT 22 Dec 93

[Report by Cecilia Pachano; from "The News" newscast]

[Text] Venezuelan Foreign Minister Fernando Ochoa Antich has said that it is untrue that the EC has decided to exclude Venezuela from its preferential status list because talks have just begun; he said, however, that if the EC decides again to exclude the country from the preferential system, Venezuela will be forced to adopt certain measures, because such an exclusion would upset the equilibrium required in the Andean Group customs system.

The foreign minister said that Venezuelan President Ramon J. Velasquez has sent a letter to his Andean Group counterparts, requesting their support and stating Venezuela's difficult situation.

[Begin Ochoa recording] The Venezuelan Foreign Ministry wants to express our government's deepest concern over decisions that developed countries have adopted and that go against freedom of commerce and deny developing countries fair participation in world commerce.

Despite the fact that Venezuela does not produce drugs, this country views as positive the EC's decision to establish customs preferences in favor of Andean countries burdened by such production, but it believes that in the antinarcotics struggle the preferences mechanism must consider the preventive aspect in the antinarcotics struggle without forgetting the effect that this traffic has on transit countries such as Venezuela, which is already feeling the effects of narcodollars, which create grave distortions in the Venezuelan economy. [end recording]

The developed countries have adopted three protectionist measures against Venezuela. First, there was the discriminatory regulation against Venezuelan gasoline adopted in the United States; later came the global quota for banana imports, a quota which the EC imposed and which limits our export possibilities. The Venezuelan foreign minister insisted that everyone knows that Venezuela's oil bonanza has been over for some time.

National Police Implement Security Program Along Border

PA2312233193 Caracas Venezolana de Television Network in Spanish 1550 GMT 22 Dec 93

[Report by Cecilia Pachano]

[Text] During a meeting with agriculture and livestock producers from Barinas and Apure States, the National Police high command proceeded to explain its security program along the country's southwestern border.

The meeting was headed by the defense minister [Vice Admiral Radames Munoz Leon] who commented on the state of neglect along the border which has transformed this situation into a military problem when in fact it demands the participation of all sectors of Venezuelan society.

The defense minister insisted on the existence of a society of accomplices because it has endorsed this ongoing situation. Likewise, he commented on the recent events that have taken place in this region which he believes constitutes a violation of Venezuela's sovereignty, hence the reason for implementing the border security program which is about to be established along the southwestern part of the country.

According to the explanation given by members of the National Police high command, the security program implies the strengthening of units already in the area and renovating aircraft, communications equipment, and intelligence centers. After the explanation, the units that will ensure security in the region carried out a demonstration that confirmed the high level of training these men have.

[Being recording] [General Pedro Romero Farias, commander of the Armed Forces of Cooperation] This is an effort we are undertaking where we are not asking for anything from the agriculture sector. We are here to tell them what we are going to do in the area. The only thing we ask of them is their cooperation in providing information. We must acknowledge that within the producers' association there are individuals who are also prone to criminal activities. Therefore, there will be lot of activity around here. We cannot allow our country or border to fall under the control of illegal aliens and criminal groups. In some areas they have practically become lord and masters. The National Police are not going to allow that.

[Barinas State Governor Gerhard Cartay] In 1994, the Barinas State Government is going to earmark more than 70 million bolivares to support the National Police by purchasing equipment, patrol cars, and other logistic materiel needed to confront this problem. I am really pleased with the Armed Forces initiative and especially grateful to the defense minister and the National Police commander. I have told both of them that they can count on the complete support of the Barinas government as well as from the producers. We must keep in mind that this program will be successful as long there is teamwork between the agriculture producers, regional government, and Armed Forces. [end recording]

Afterward, the defense minister headed to Zulia State where he will be meeting with regional producers to implement this same type of security program.

Superior Court Judge Orders Release of Car Bomb Suspect

PA2412005793 Caracas EL UNIVERSAL in Spanish 22 Dec 93 p 1-19

[Article by Mirna Mendoza]

[Excerpts] Judge Hector Marcano Batistini, in charge of the 18th Superior Criminal Court, has revoked the arrest warrant that had been issued against Thor Halvorssen, accused of being the mastermind behind a car bomb and financial terrorism case.

As you may recall, 42d Criminal Court Judge Oscar Vera Sandoval, who was in charge of the proceedings, issued an arrest warrant against Halvorssen, former president of the CANTV [National Telephone Company of Venezuela] and former presidential commissioner of the Republic, as well as against other people indicted in this case, including Ramiro Francisco Helmeyer Oquendo.

The case was turned over to a higher court where 18th Superior Court Judge Hector Marcano Batistini had to modify or ratify the sentence handed down by the lower court. Dr. Batistini announced his decision yesterday and just as expected, Halvorssen was released early this morning. Halvorssen, who had been confined for approximately two months in El Junquito Judicial Penitentiary, left prison, accompanied by his lawyers Luis Lugo and Vicente Puppio. [passage omitted]

Vicente Puppio and Luis Lugo, who defended Thor Halvorssen, made statements as soon as they learned of Judge Marcano Batistini's decision. Puppio spoke first, explaining that "we always said that Halvorssen was innocent, as has been confirmed by the decision of the 18th Superior Court judge." Halvorssen was released, but we have to note that the judge of the 18th Criminal Tribunal left the investigation open. [passage omitted]

Luis Lugo said that there is still an investigation pending on the case, "but that Halvorssen regained his total freedom."

At 1145 Thor Halvorssen left El Junquito penitentiary, after the papers for his release were taken to the prison in compliance with the judicial order. Upon leaving he said that the decision shows that justice still prevails in Venezuela. He also reiterated his claim of innocence. He asked to be allowed to meet with his family and promised to hold a news conference in the coming days to explain his position and to report publicly about the irregular situation.

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